


SPRING OUTLOOK

1973


CROPS

 Agriculture
Canada

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SPRING OUTLOOK CROPS MARCH, 1973

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produced by the
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Marketing and Trade Division,
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Foreword

For the third consecutive year outlook statements prepared for the Canadian Agricultural Outlook Conference in November are being updated and published in an abbreviated form as the Spring Outlook. This year's Outlook is in two sections. This first section includes the major crops, while the second section will relate to livestock and animal products.

The purpose is to provide producers and others with some guidance in making the many production and marketing decisions that arise at this time of the year. The statements in the Crop Section are particularly pertinent as the Hon. O.E. Lang, Minister responsible for the Wheat Board, recently announced the Prairie Grains Policy on acreage, quotas and initial prices for 1973-74.

Analyses are based on information available to mid-February.

Acknowledgement is gratefully made for the cooperation of members of Statistics Canada, the Production and Marketing Branch of this department and other Departments and Agencies including the Department of Industry, Trade and Commerce.

The outlook for livestock and animal products will be contained in the second section and is to be distributed during the first week of April.

G.J. Dobson, Director,
Marketing & Trade Division,
Economics Branch,
Agriculture Canada,
Ottawa, March, 1973.

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OUTLOOK SUMMARY

The outlook for Canadian grains and oilseeds continues to be favorable. Demand should be strong in 1973-74 for all grain and oilseed products. There is scope for increased production in all field crops in western Canada. With wheat, the general prospects for 1973-74 indicate a considerable acreage increase, but the extremely variable world wheat situation suggests the need for careful appraisal of Canadian wheat acreage on a year to year basis. For feed grains and oilseeds, prospects for 1973-74 also indicate the desirability of sizeable acreage increases.

White bean prices for 1973-74 are expected to be about \$9.00 per hundredweight, although strong competition from the United States could depress prices as low as \$8.50 per hundredweight. The price of flue cured tobacco is up about 20 percent. The acreage of flue cured tobacco for 1973 is expected to increase as production was down by about 12 percent in 1972.

A tight world supply and a strong demand indicate that the current high sugar prices will continue.

Stocks of fresh and processed fruit and fruit products in Canada and the U.S. are below last year's level. A relatively strong demand for both fresh fruit and fruit for processing will likely result in good prices in the coming season.

Supplies of potatoes and most other fresh vegetables will become tight by the end of the season. Prices for potatoes will remain at relatively high levels through the remainder of the season. In the coming season, processor demand for most vegetables for processing should be strong.



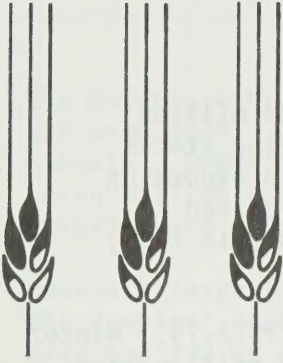
GRAINS AND OILSEEDS SUMMARY

International markets for wheat, feed grains and oilseeds have strengthened significantly as a result of changes in world supply and demand. Prices in early 1973 were the highest in many years, but eased somewhat in early February. Oilseed prices still continued to increase.

The outlook for Canadian grains and oilseeds continues to be favorable. Demand should be strong in 1973-74 for all grain and oilseed products. Stocks of grains in many countries, including Canada, will be low to start the crop year. There is scope for increased production in all field crops in western Canada. With wheat, the general prospects for 1973-74 indicate a considerable acreage increase, but the extremely variable world wheat situation suggests the need for careful appraisal of Canadian wheat acreage on a year to year basis. For feed grains and oilseeds, prospects for 1973-74 also indicate the desirability of sizeable acreage increases. It is important to maintain our share of these markets which have more long range growth potential than wheat because of the growing world livestock industry.

The additional acreage which appears desirable can only become available if summerfallow acreage is sharply reduced from the 1972 level. The following table suggests the acreages in western Canada for 1973 marketing opportunities.

| | Main Crop Acreages Indicated, 1973 | Percentage Change from 1972 |
|-------------------|------------------------------------|-----------------------------------|
| | Million acres | percent |
| Wheat (ex. durum) | 25. | (+30 |
| Durum | 3. | (|
| Barley | 14. | +11 |
| Oats | 5. | - |
| Rapeseed | 4.2 | +35 |
| Flaxseed | 2. | +50 |
| Rye | .6 | +20 |
| Summerfallow | 20. | -33 1/3 |



WHEAT

J.S. Carmichael

World Situation and Outlook


Estimates of world wheat production (excluding the Peoples' Republic of China) for 1972-73 indicate a crop of 303.3 million metric tons (11.1 billion bushels), about six percent less than in 1971-72. Most of the decline in production was in the USSR where wheat production was down by 20 million metric tons. The smaller harvest in the USSR was the result of extensive cold damage to winter wheat crops and drought followed by excessive moisture in the spring wheat areas. Widespread drought occurred in Australia which resulted in one of the smallest crops on record for that country, about 6.06 million metric tons (222.5 million bushels). The Argentine crop is estimated to be slightly larger than a year earlier. United States production at 1,545 million was nearly five percent below that of 1971.

Carryover stocks continued the decline that started in 1970 when they were 68.7 million metric tons. On July 1, 1972 they were 49.6 million metric tons of which all but eight million metric tons were in North America. Australian and Argentine stocks were reported committed to domestic or export markets. Supplies in the EEC were up slightly over 1971-72. Exportable wheat supplies were almost all in the United States and Canada.

The large purchases of grain by the USSR have dominated the 1972-73 world market. Purchases by the USSR include more than 650 million bushels of wheat. The Peoples' Republic of China is reported to have purchased more than 260 million bushels of wheat. Imports slightly larger than in 1971-72 are expected for Japan, Western Europe and Eastern Europe. In India, stocks have been reduced to meet domestic requirements. India has bought about 1.5 million metric tons (55 million bu.) of wheat and may require more.

Bangladesh is reported to require at least 2.5 million tons of food grains, but a considerable part of this will probably be in the form of aid.

World wheat exports during 1972-73 are estimated at 67 million metric tons (2.5 billion bushels), up by 15 million metric tons (551 million bushels) from a year earlier. The main export suppliers in 1972-73 are the United States with exports expected to be sharply higher to over 31 million metric tons (1.15 billion bu.) and Canada 16.5 million (605 million bu.). World



wheat stocks are expected to be down to 34 million metric tons at the end of the year. Opening stocks for the 1973-74 crop year in the five main exporting countries (Argentina, Australia, Canada, United States, EEC) are forecast at 28 million metric tons, the lowest level in 20 years.

It is much too early to predict world wheat production in 1973-74. Winter wheat plantings in the United States are estimated at 42.8 million acres, up by 1.3 percent over a year ago, but somewhat below expectations. Generally, moisture conditions have been satisfactory. A higher yield than in 1972-73 is forecast. The January estimate of 1973 planting of spring wheat in the United States (excluding 2.9 million for durum) is 11.7 million acres, 16 percent more than in 1972. In the USSR the winter wheat area is reported to be slightly smaller than last year. Mild weather in the early winter is reported followed by light snow and low temperatures. Winter wheat plantings for the 1973 harvest in the EEC were hindered by unfavorable weather except in England and Wales where unusually large plantings were reported. Winter and spring wheat acreage in the EEC will probably total between 26.2 million and 28.2 million acres.

Current world prices in mid-February 1973 are sharply higher than a year ago. The relatively high price level will induce plans for large production for 1973-74 in the wheat exporting countries. Plantings will be larger and more fertilizer will be applied. In many other countries producers are insulated from the world market prices by high domestic prices. The final outcome of the 1973-74 crop will of course depend upon the weather.

Australia and Argentina will not be participants in export markets until well into the new crop year, probably not before January 1974. Canada will not have large export supplies until the 1973-74 crop is harvested. Indications point to a tight world wheat supply continuing in the first part of the 1973-74 crop year but an easing of the situation in the second part of the year. Some countries will no doubt wish to do some stock rebuilding in view of the unexpectedly tight world supply situation in 1972-73.

Canada Situation - 1972-73

Canadian wheat production in 1972 was estimated at 533.3 million bushels, 3.7 million bushels more than in 1971. Of the 1972 production, 15.9 million bushels were winter wheat and 73.5 million bushels were durum. Wheat production in the Prairie Provinces was 513 million bushels compared with 510 million bushels in 1971.

Wheat stocks in all positions at July 1, 1972 were 589.4 million bushels, 144.8 million bushels less than a year earlier. Supplies for the crop year 1972-73 were 1,122.7 million bushels compared with 1,263.5 million bushels for 1971-72. Carrying stocks at the beginning of 1972-73 were 419 million bushels less than two years earlier.

Canada's wheat exports during 1972-73 are expected to be 605 million bushels, of which 60 million bushels will be durum. Domestic use of wheat for human food, feed and seed will be about 170 million bushels.

The Ontario winter wheat crop harvested in 1972 has been sold. The crop was about 16 million bushels. Domestic food channels took more than seven million bushels and more than six million bushels were exported.



Canada's largest export markets for wheat continue to be the U.S.S.R. and the Peoples' Republic of China. Existing contracts with the U.S.S.R. will have expired by July 31, 1973 except for a small quantity of wheat and flour destined for Cuba. Existing contracts with the Peoples' Republic of China will expire by October 31, 1973.

Total stocks of wheat on Canada's farms and in commercial positions at July 31, 1973 are estimated at 347 million bushels. Out of this quantity, domestic requirements must be met and the Canadian Wheat Board must meet sales commitments until the 1973 crop is harvested.

Outlook Canada 1973-74

The uncertainty of crop conditions and markets in countries to which we export and in other competing producing countries makes forecasting of 1973-74 Canadian sales hazardous.

The Canadian Wheat Board, in view of prospective export sales and domestic utilization, together with the desirability of some increase in commercial stocks has indicated it will accept producer deliveries of wheat during 1973-74 at 500 million bushels of spring wheat and 55 million bushels of durum. A total production of 700 million bushels would not likely be much in excess of total requirements. A desirable planting of wheat in Western Canada in 1973 would be about 28 million acres, including up to three million acres in durum. This is an increase of about 30 percent over 1972.

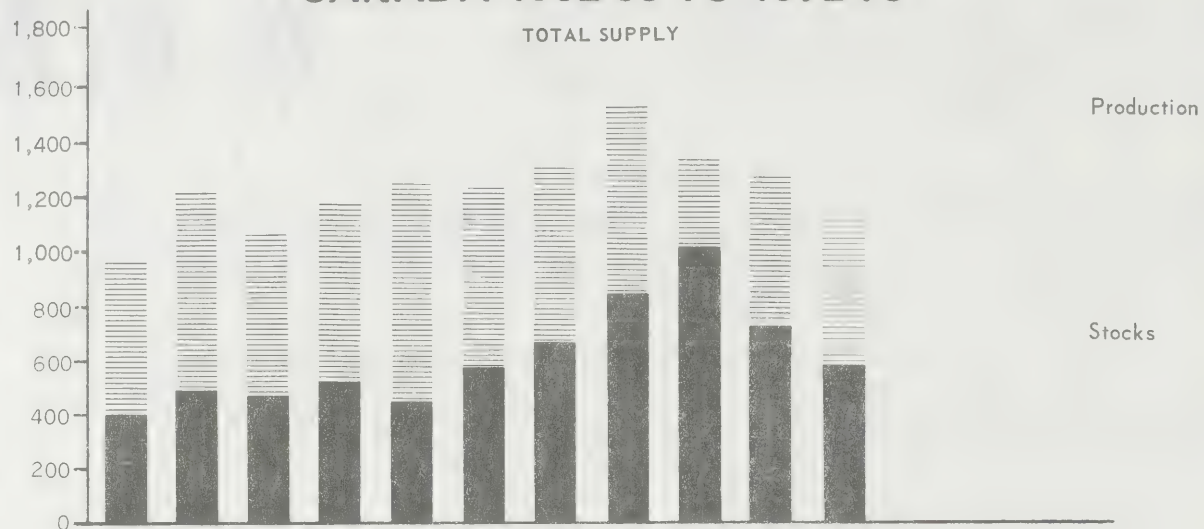
World prices have been unusually high in the early weeks of 1972. Fluctuations and some reductions have occurred from peak levels. However prices for the rest of the crop year are likely to be much higher than those of a year ago. In 1973-74, higher than normal world production would likely result in some reductions from current unusually high levels.

In view of the current optimistic outlook, initial prices for wheat have been set for 1973-74 at current levels of \$1.76 per bushel (No. 1 C.W.RS, basis in store Vancouver or Thunder Bay). Minimum estimated quotas for ordinary wheat are nine to ten bushels per assigned acre with ten bushels for durum.

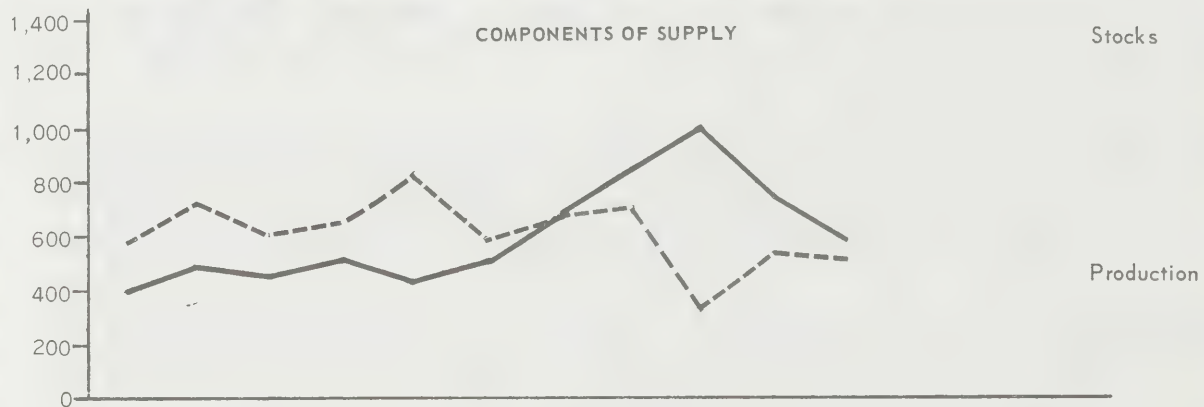
WHEAT — SUPPLY & DISPOSITION — CANADA 1962-63 TO 1972-73

Million
Bushels

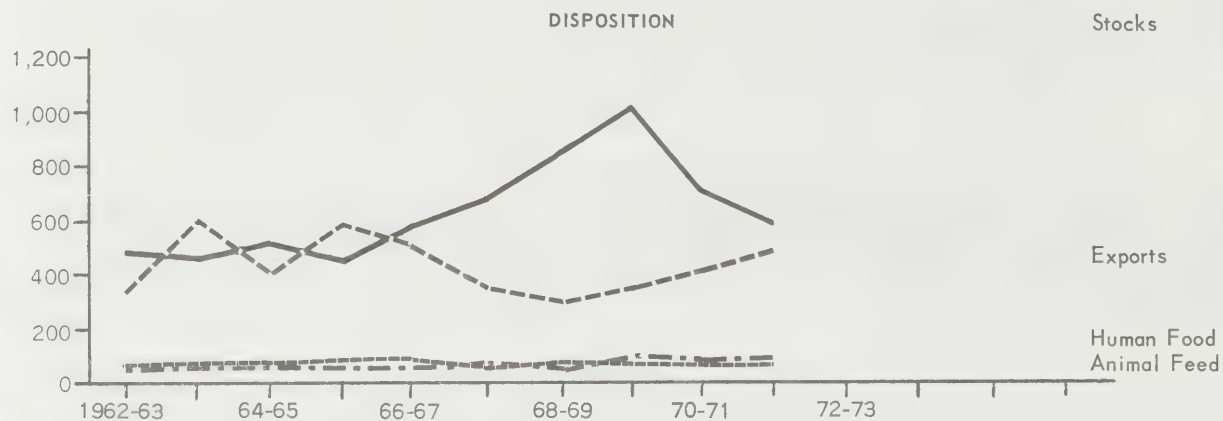
TOTAL SUPPLY



COMPONENTS OF SUPPLY



DISPOSITION



Agriculture
Canada

Economics Branch
Direction de
L'Economie



FEED GRAINS

J.S. Carmichael

World Situation

World feed grain production in 1972-73 including rye, barley, corn, oats and sorghum was 570 million metric tons, 18 million metric tons less than the record production of 1971-72. More than 11 million metric tons of the decline in production was in the United States, three million tons in the Peoples' Republic of China and four million tons was because of a smaller production in numerous other countries. Although world feed grain production was down in 1972, a carryover stock of 82 million metric tons was 17 million metric tons larger than the previous year and offset the decline in production.

The World feed grain market in 1972-73 has been strong because of the large grain purchases made by the USSR and the continuing world trend toward emphasizing livestock production. The USSR feed grain crop is thought to be slightly larger than in the previous year, although wheat production was down. USSR purchases of feed grains are estimated at more than eight million metric tons, of which 1.5 million tons are barley and seven million tons are corn. Japan and Western Europe are importing slightly larger quantities of feed grains than in 1971-72. World trade in feed grains in 1972-73 is expected to reach 52 million metric tons, up by four million tons from 1971-72.

World supplies of feed grains remain high. Large supplies of corn are available in South Africa but drought was seriously affected the current production. Corn stocks in Argentina are low because of poor corn and sorghum crops in 1972. Drought reduced the barley crop in Australia. The large exportable grain supplies are in the United States and a large part of the world increase in import requirements is being supplied by that country. The United States exports of feed grains during 1972-73 are expected to be 27 million metric tons, an increase of six million metric tons over the previous year. Of this, over 20 million tons was corn.

World Outlook

The world outlook for feed grains is for a generally increasing demand, since the demand for meat is increasing. The USSR has embarked on a livestock program which, if continued, will require far more feed grain than they are likely to produce in the next few years. Next year, a continuation of the USSR program to import feed grains seems probable.



Other countries in Eastern Europe, including Yugoslavia and Poland, are also involved in livestock expansion.

It is too early to obtain much indication of the supply position for 1973-74. The southern hemisphere countries of Australia and South Africa have suffered heavily from drought. In the United States, the January estimates of 1973 plantings of grains indicate an increase in plantings over 1972 of corn by 7.5 percent, sorghum by 9.6 percent and oats by 1.1 percent. Intended plantings of barley were 1.3 percent less than in 1972. However at the end of January the United States revised its set aside requirements for wheat and feed grains to encourage greater use of land for feed grains. The United States acreage in corn could be seven million acres over last year.

Prices of feed grain on international markets have been firm in the early weeks of 1973 while wheat prices declined slightly.

Canada - 1972-73

Canadian feed grain production including mixed grains in 1972 was 21.0 million metric tons, 3.3 million metric tons less than in 1971. Decreases occurred in production of all feed grains. Domestic feed grain utilization is not expected to differ greatly from 1971-72. Utilization by cattle and poultry may be higher, but utilization by hogs will be lower.

Barley

Barley production in 1972 was 518.4 million bushels compared with 601.6 million bushels in 1971. Stocks at the beginning of the crop year 1972-73 were 194 million bushels, about 50 million bushels more than a year earlier. The decline in production in 1972 more than offset the increase in carryover stocks with the result that supplies for 1972-73 were down by 33.5 million bushels to 712.4 million bushels.

Barley exports in 1972-73 are expected to be 160 million bushels, compared with the 1971-72 record of 230.5 million bushels. Domestic utilization will require 335 million bushels of which about 20 million bushels will be for malting. Feed freight assisted shipments of barley during 1972-73 are down more than 10 percent from 1971-72. Carryover at the end of 1972-73 is expected to be about 217 million bushels.

Barley prices are considerably higher than a year ago. The Canadian Wheat Board asking prices for No. 1 feed barley at Thunder Bay for January 1973 averaged \$1.42 a bushel compared with \$1.05 a bushel a year earlier.

Oats

Production of oats in 1972 was 300 million bushels, down by 64 million bushels from 1971. Stocks at the beginning of 1972-73 were 118 million bushels, seven million bushels less than a year earlier. Supplies for

1972-73 were down by 70 million bushels from the 489 million bushels of 1971-72.

Exports of oats in 1971-72 were 10.5 million bushels and in 1972-73 are not expected to exceed five million bushels. Domestic utilization, mostly for animal feed was 339 million bushels in 1971-72. Freight assisted shipments of oats during 1972-73 are averaging about 20 percent larger than last year. Domestic utilization during 1972-73 is expected to be 365 million bushels. Stocks at the end of the crop year will be down to about 50 million bushels.

Prices for oats have increased during 1972-73. The Canadian Wheat Board asking prices for No. 1 feed oats at Thunder Bay for January 1973 were approximately \$1.00 a bushel compared with 61 cents a year earlier.

Rye

Canadian production of rye in 1972-73 was 13.5 million bushels, 8.4 million bushels less than in 1971-72. Disposition during 1971-72 was 4.4 million bushels for animal feed, 10.8 million bushels for exports, 2.8 million bushels for industrial use and 0.5 million bushels for human food. Stocks at the beginning of 1972-73 were 15.5 million bushels giving total supplies of 29.0 million bushels. Exports of rye during 1972-73 are expected to be seven million bushels. Carryover at the end of the year, after domestic use of eight million bushels, is expected to be 14 million bushels. Prices of rye (2 CW Thunder Bay) in 1971-72 averaged about 99 cents a bushel. In common with other feed grain prices, rye prices have increased this crop year and for January 1973 asking prices for No. 2 CW at Thunder Bay were more than \$1.76 a bushel, compared with 99 cents for January 1972.

Corn

In 1972, corn production in Canada was 104.6 million bushels, 11.4 million bushels less than production in 1971. Carryover in commercial positions at the end of July 1972 was 6.3 million bushels. Imports during 1971-72 continued the downward trend and at 11.7 million bushels imports were one million bushels less than the previous year. Disposition during the year consisted of 93.9 million bushels for animal feed and 27.7 million bushels for human consumption and industrial use.

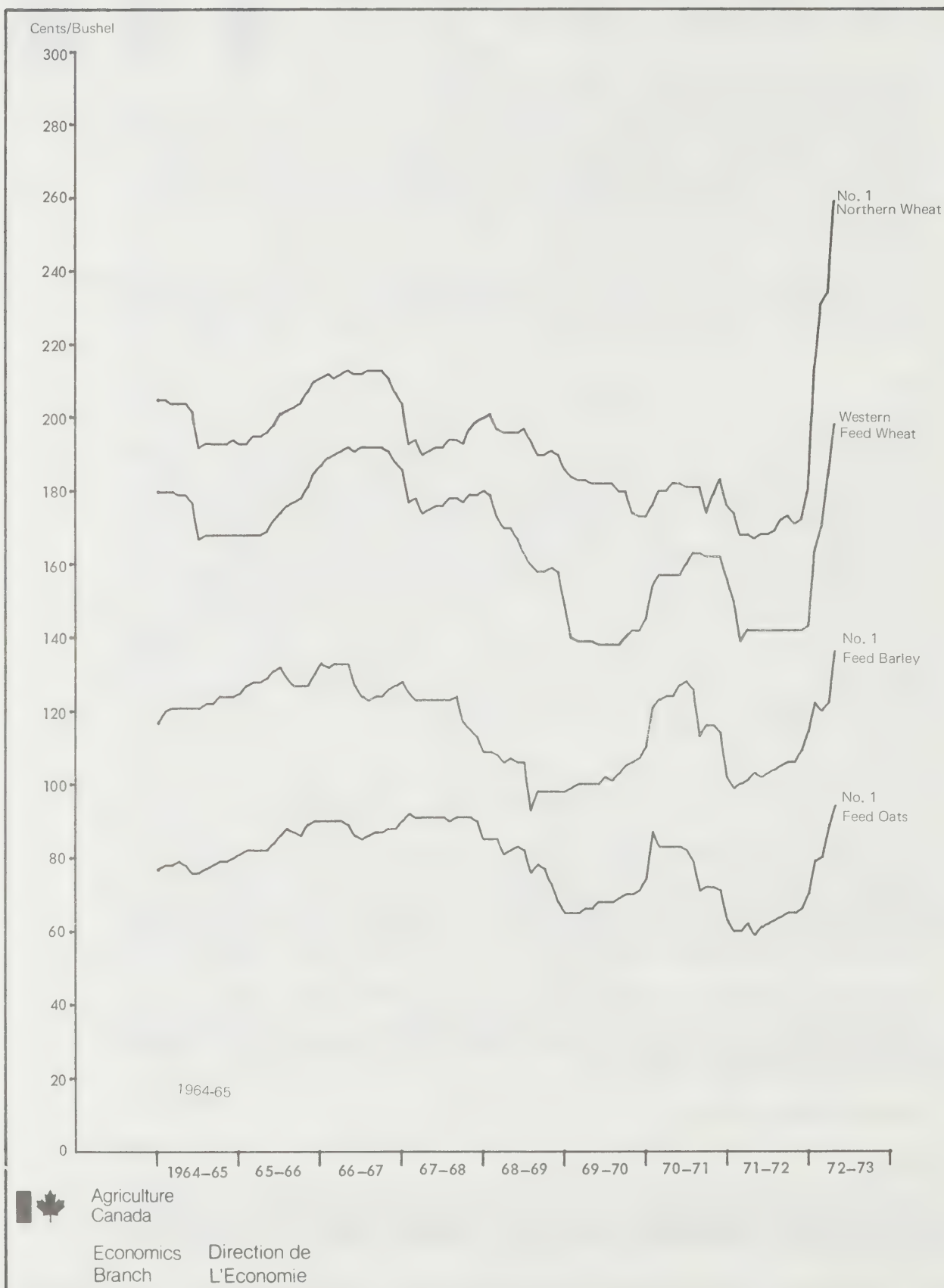
World corn prices have shown considerable strength this year as a result of the increased demand for feed grains. Prices for No. 2 Yellow corn (carlots f.o.b. Chatham) for January 1973 averaged \$1.65 compared to \$1.21 for January 1972.

Outlook Canada 1973-74

Barley

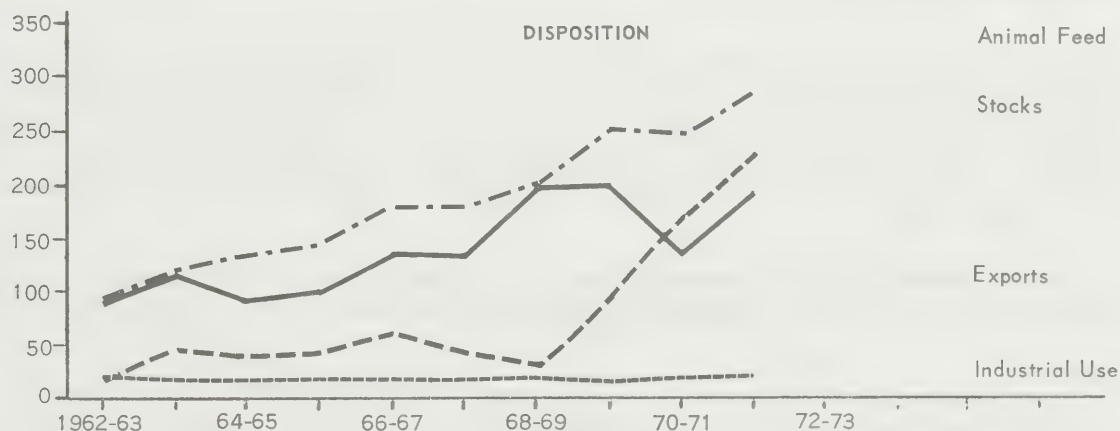
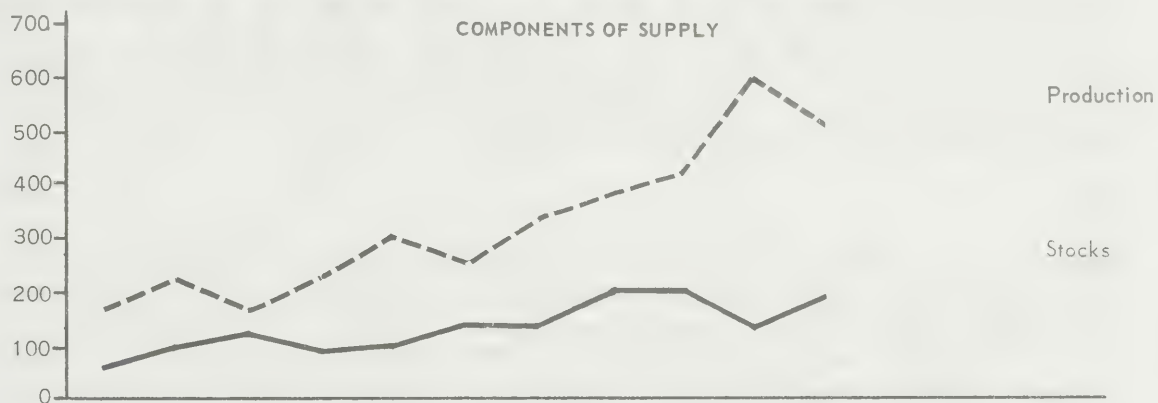
Demand should remain relatively strong for Canadian barley in 1973-74, both on export and domestic markets. With low feed grain supplies in

GRAIN PRICES (THUNDER BAY) 1964-65 TO 1972-73



BARLEY – SUPPLY & DISPOSITION – CANADA 1962-63 TO 1972-73

Million
Bushels



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some countries, opportunities for exports of feed grains from the United States and Canada should be very good. Feed grains available for marketing in Canada in 1972-73 have been in tight supply due to a reduced level of producer deliveries. If greater quantities of barley are grown in Canada

in 1973-74, exports should exceed the crop level for the current year of around 160 million bushels.

The Canadian Wheat Board will accept a minimum of 280 million bushels in 1973-74 which is almost equal to marketings of the crop year 1971-72 when exports were well over 200 million bushels. If domestic disappearance in 1973-74 is about 335 million, total disappearance in 1973-74 will be well over 500 million bushels. To assure ample supplies, it is suggested that an acreage of 14 million is needed to cover exports, domestic requirements and to have some stocks on hand. In future years further feed grain acreage expansion is likely to be needed to meet growing world and domestic feeding requirements.

Prices should remain at high levels for some months at least. While some decreases could occur if the world feed grain supply in 1973-74 reaches unusual proportions, it is expected that prices will remain well above those of a year ago. Initial payments have been set at \$1.20 for the basic grade, up 15 cents from last year.

Oats

The role of Canadian oats in export trade has become almost negligible and there seems little reason to expect any reversal of this trend. On the other hand, domestic demand appears to be fairly strong with 20.3 million bushels being handled by the CWB in the current crop year to the end of January compared with 16 million last year. Oats are reported in short supply for 1972-73.

Oats are quite widely grown across Canada with most individual areas producing to meet on-farm requirements. For the prairie provinces which provide the domestic and export requirements of the Canadian Wheat Board, it would appear that about five million acres of oats for grain, a little higher than last year's acreage for oats for grain, would be indicated for 1973 planting.

Initial payments of 80 cents a bushel, 10 cents more than current prices, reflect the optimistic outlook for prices of oats in the coming crop year.

Rye

Rye exports for the first six months of 1972-73 are running a little behind last year and at current rates are not likely to exceed 10 million bushels. However, some areas of the prairies are suited to rye production and prices in recent months for rye as for all grains have been at relatively high levels. An acreage of 600,000 in the prairie provinces, which would be a little higher than last year's acreage, seems to be suggested by market prospects for 1973-74. Prices like those of other feed grains are likely to remain relatively firm into the next crop year.

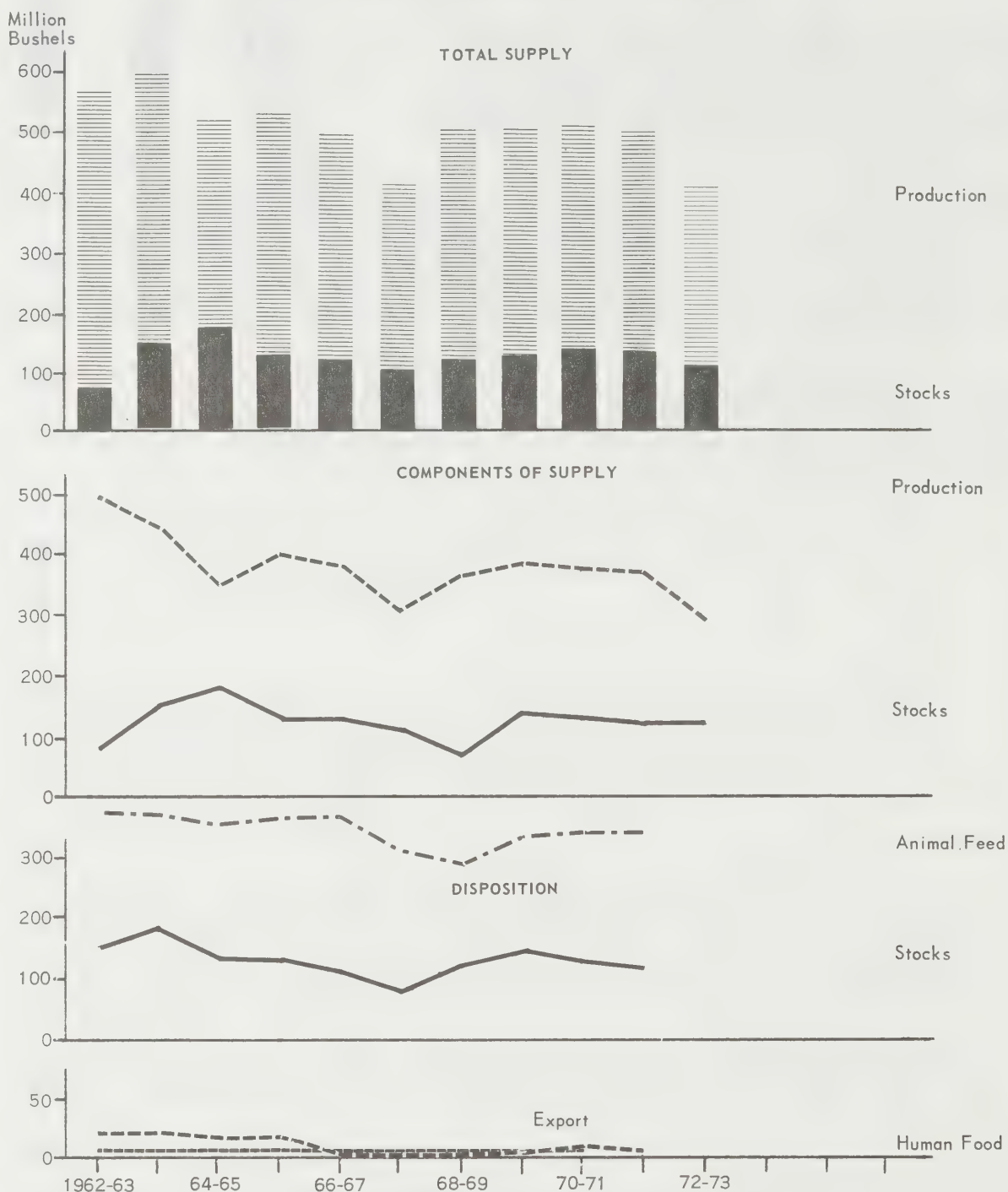
Corn

While the acreage of corn grown in Ontario may be influenced by acreage increases which may occur in soybeans and winter wheat due to high prices, it is likely that the acreage of corn for grain will again increase after the slight decline of last year. In Ontario, grain corn reduction of 100 thousand acres was due to poor weather at planting and harvesting. As a result, there was some transfer to fodder corn. Quebec and Eastern Ontario plantings might be influenced in 1973 by poor yields last year. The upward trend in Manitoba's production of both grain and fodder corn is likely to continue. Corn production is also being promoted in Alberta.

Fodder corn production has increased very substantially in recent years as it has become a significant element in livestock feeding. The upward trend is likely to continue in traditional areas and develop in new areas as well.



OATS – SUPPLY & DISPOSITION – CANADA 1962-63 TO 1972-73



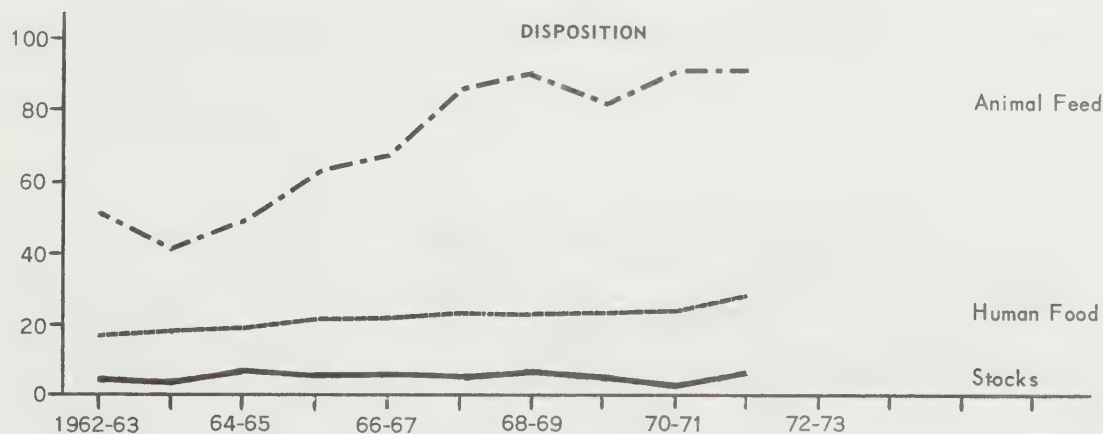
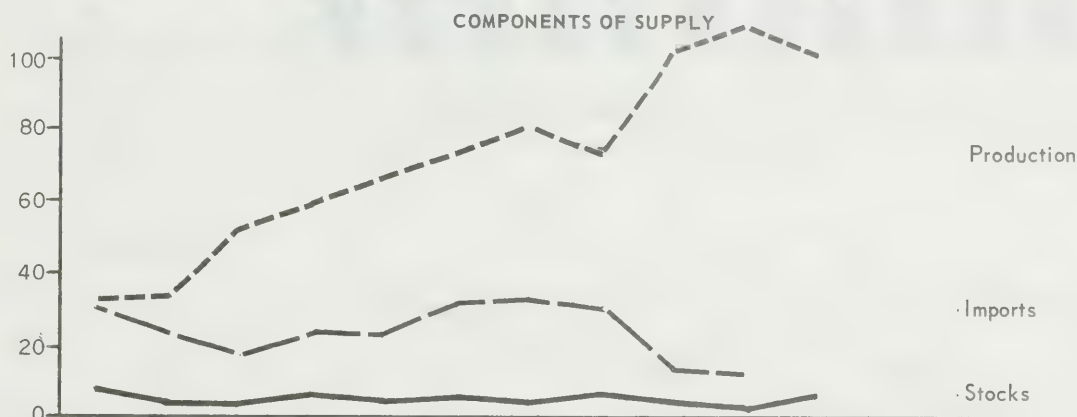
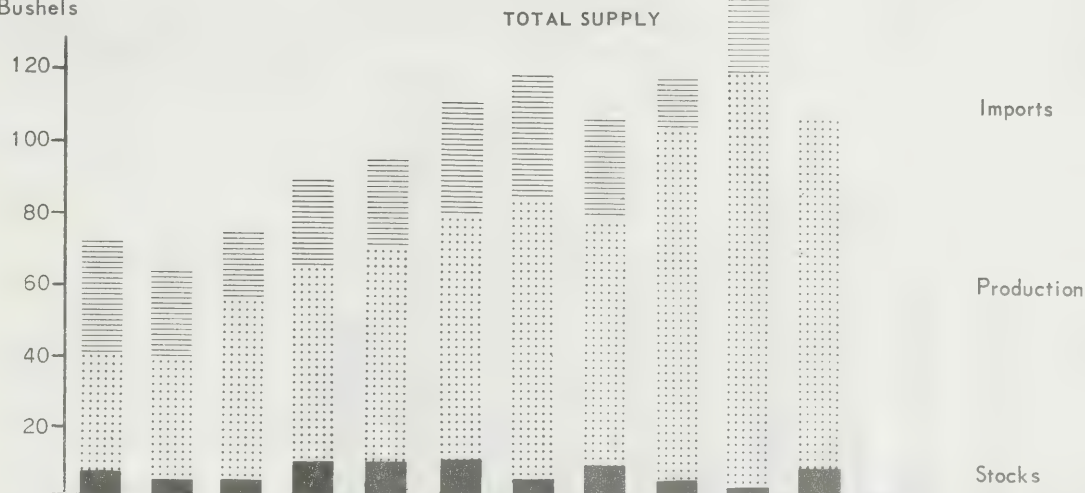
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CORN – SUPPLY & DISTRIBUTION CANADA 1962-63 TO 1972-73

Million
Bushels

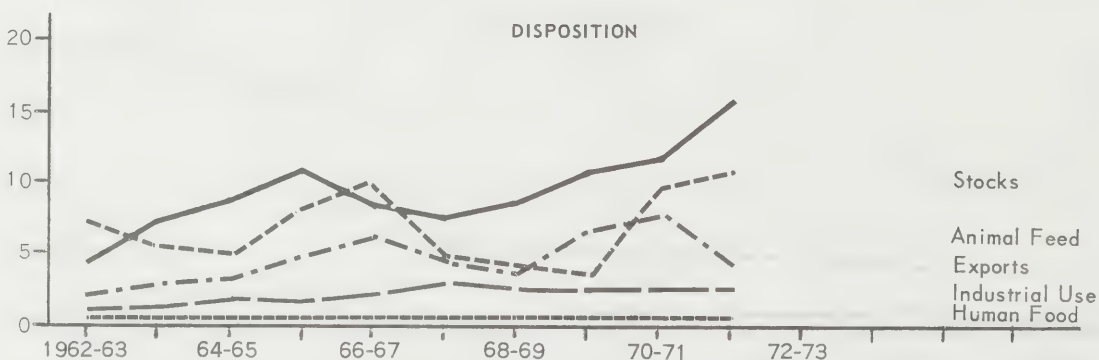
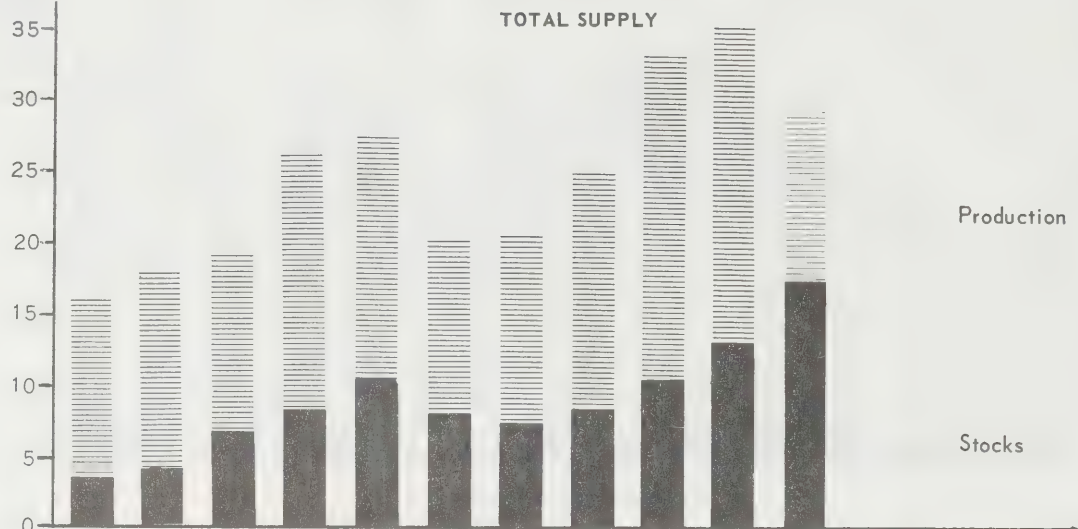


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Million bushels



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OILSEEDS

B.W. Paddock

World Oilseed Outlook

Highlights of 1972

World production of edible fats and oils in 1972 is estimated to have increased by 3.4 percent to 41.3 million metric tons¹. International prices of edible fats and oils declined in 1972 although some recovery occurred in the last five months. Prices of rapeseed oil fell from \$240 per metric ton in January to \$202 in June and then rose to \$227 by December. Soybean oil declined from \$255 per metric ton in January to \$225 in December.

Outlook for 1973

World production of edible fats and oils is forecast to increase by only 0.15 million metric tons compared to 1.3 million in 1972. Soybean oil, palm oil and butter production are expected to increase sharply while rapeseed oil and peanut oil production are expected to experience marked declines. Since production increases are expected to take place primarily in the main producing countries, export availabilities² are expected to increase at a faster rate than total production. Export availabilities of soft oils are expected to show the largest increase, followed by animal oils. Export availabilities of lauric oils are forecast to decline³.

Imports⁴ of soft oils are expected to show the largest increase, although much of the increase will be soybean oil exported to China and the U.S.S.R. (in the form of soybeans). Imports of animal oils, chiefly butter, are forecast to decline. While the increase in export availabilities of all edible fats and oils is substantially larger than the forecast increase in imports, it is of note that the forecast increase in imports of vegetable and fish oils exceeds the increase in export availabilities of those oils by a small amount. For animal oils, the increase in export availabilities greatly exceeds the forecast increase in exports. This

¹ For purposes of this analysis of world production, production occurring in the Northern Hemisphere in the last part of 1972 is included in the 1973 production totals.

² Export availabilities are defined as production less domestic disappearance.

³ See Table 1 for listing of soft oils, lauric oils and hard oils.

⁴ Import forecasts are made assuming that prices will remain unchanged.



would tend to indicate that prices of animal oils will be under considerable downward pressure in 1973. Prices of soft oils, while likely to show some decline from current levels, are unlikely to be reduced sharply, although soybean and cottonseed oil will be under more pressure than the rest.

Canadian Oilseed Outlook

Rapeseed - 1972-73

Canadian supplies of rapeseed at the beginning of the 1972-73 crop year were 99.1 million bushels. Exports are currently well ahead of last year and should reach 52 million bushels. Similarly, the domestic crush is ahead of last year and will likely reach 14 million bushels. Allowing 10 million bushels for dockage and waste, carryover at the end of the crop year is expected to be 23 million bushels, or less, with most of that likely to be within the elevator system.

Prices of rapeseed have increased steadily since the beginning of the crop year, from \$2.45 per bushel in August to \$3.26 in January. Prices may weaken modestly in the last six months of the crop year, but should average not lower than \$3.25 for the next six months giving an average price of \$3.00 for the crop year.

Rapeseed - 1973-74

In order to maintain supplies for export and domestic use, it is suggested that 4.2 million acres of rapeseed would be desirable with a yield of 18 bushels per acre. The resulting production would then be 76 million bushels. This would be enough only to maintain current exports and crushings (allowing for 10 million bushels for dockage). Any increase in disposition would require a further reduction in stocks.

In view of the relatively firm outlook for both vegetable oils and meals and of the reduced stock position likely to be carried into 1973-74, rapeseed prices would appear likely to remain quite strong with prices at Thunder Bay averaging near 1972-73 levels.

Soybeans - 1972-73

Because of the sharp reduction in Peruvian output of fish meal and the entry of the U.S.S.R. into the soybean market as importers, soybean-prices have risen sharply in 1972-73. Prices at Chatham which averaged \$3.40 in August rose to \$6.06 per bushel on February 23.

Because of a strong export demand for both soybeans and soybean meal, soybean prices are expected to remain strong throughout the balance of the crop year.

Soybeans - 1973-74

Prices of protein meals in 1973-74 would appear likely to decline significantly from current levels. Factors likely to contribute to



such a reduction are:

- (a) The Peruvian government has authorized the resumption of fishing on March 1, 1973. By late 1973 output of fish meal will likely be great enough to exert some downward influence upon prices.
- (b) Soybean plantings in both the United States and Brazil are expected to increase substantially.

Despite increased world soybean production and expected lower prices for portein meals, prices for soybeans are likely to be strong in 1973-74 although a modest decline in prices from the 1972-73 level can be expected.

Sunflowerseed - 1972-73

Prices of sunflowerseed oil in Europe dropped sharply in 1972 from \$375 to \$327 per metric ton. World export availabilities of sunflowerseed oil are expected to decline some 20 thousand metric tons primarily as a result of a decrease in production in the U.S.S.R. At the same time, world imports of sunflowerseed oil are forecast to increase by 10 thousand metric tons. Consequently, prices are likely to rise relative to other oils although absolute prices may not show much increase.

Canadian acreage of sunflowers is unlikely to show any significant increase because of the high prices expected for competing crops.

Flaxseed - 1972-73

Supplies of linseed oil for 1972-73 in the three main exporting countries were 883 thousand metric tons¹. This represents a decline of 25 percent from 1971-72 and a decline of 35 percent from 1970-71. As a result of this reduction in supplies, the price of linseed oil in Europe rose to \$295 per metric ton in February 1973 compared to \$188 per metric ton one year earlier. In addition, the shortage of protein meals which resulted primarily from the sharp reduction in the production of fish meal in Peru, caused the price of linseed meal in Europe to rise from \$117 to \$205 per metric ton during the same time period. Because of the dramatic increase in the prices of both its end-products, flaxseed prices have increased sharply. Average monthly cash prices for flaxseed at Thunder Bay rose from \$3.06 per bushel in August to \$4.36 in January, with an average price for the six month period of \$3.58. Further price increases have occurred since that time.

Exports of flaxseed are expected to reach 20.0 million bushels in 1972-73. Allowing 2.0 million bushels for domestic crushing and 4.0 million bushels for dockage, the flaxseed carryover will be about 8.0 million bushels at the end of the 1972-73 crop year.

¹ This includes the supplies of actual oil in addition to the oil content of supplies of flaxseed.

TABLE 1 - WORLD FORECAST EXPORT AVAILABILITY AND IMPORTS OF EDIBLE OILS - 1973

| | (1) Export Availability | (2) Gross Imports | Difference (1) - (2) |
|--------------------------------|-------------------------------|-------------------------|-------------------------|
| 000 metric tons | | | |
| Coconut | - 90 | + 40 | - 130 |
| Palm Kernel | + 60 | - 10 | + 70 |
| <u>Total LAURIC</u> | <u>- 30</u> | <u>+ 30</u> | <u>- 60</u> |
| Cottonseed oil | + 80 | + 10 | + 70 |
| Peanut oil | - 70 | - 10 | - 60 |
| Olive oil | + 10 | + 20 | - 10 |
| Rapeseed oil | - 60 | + 50 | - 110 |
| Soybean oil | + 480 | + 275* | + 205 |
| Sunflowerseed oil | - 20 | + 10 | - 30 |
| <u>Total SOFT OIL</u> | <u>420</u> | <u>355</u> | <u>+ 65</u> |
| Palm oil | + 310 | + 60 | + 250 |
| Fish oil | - 290 | - 10 | - 280 |
| <u>Total HARD OIL</u> | <u>+ 20</u> | <u>+ 50</u> | <u>- 30</u> |
| TOTAL VEGETABLE & FISH OIL | <u>410</u> | <u>435</u> | <u>- 25</u> |
| Butter | + 170 | - 40 | + 210 |
| Tallow | + 60 | --- | 60 |
| Lard | --- | - 10 | + 10 |
| <u>Total ANIMAL</u> | <u>+ 230</u> | <u>- 50</u> | <u>+ 280</u> |
| TOTAL EDIBLE VEGETABLE | 640 | 385 | 255 |

*Includes: + 10 -- traditional importers
+ 180 -- oil content of soybean exports to U.S.S.R.
+ 60 -- soybean oil exports to China
+ 25 -- increase in concessional sales outside commercial markets.

Source: Report of Statistical Subgroup
Intergovernmental Group on Oilseeds, Oils and Fats
Committee on Commodity Problems
Food and Agriculture Organization
(1973 Forecasts of soybean oil imports amended by the author).



Linseed oil prices could decline moderately during the second half of the crop year as oil from the increased Argentinian crop enters the market. However, the decline will be moderate since despite the larger crop, the total Argentinian supplies for 1972-73 are lower than for the previous year.

In line with a possible decline in the price of linseed oil, flaxseed prices may be expected to decline somewhat from current levels. Over the next six months, prices are likely to average near \$5.00 per bushel at Thunder Bay, giving an average price of near \$4.25 for the entire crop year.

Flaxseed - 1973-74

It is suggested that in order to maintain supplies for export and domestic crushing, about 2.0 million acres is required. With a yield of 13.5 bushels per acre, production would be 27 million bushels. This would give total supplies of 35 million bushels - about the same as for the 1972-73 crop year.

In the United States, exports of both seed and oil are expected to show sharp increases in 1972-73 so that the carryover stocks of both seed and oil would not likely exceed the equivalent of 13 million bushels, a decrease of 60 percent from one year earlier.

January planting intentions in the United States indicated a 3 percent reduction in flaxseed acreage. However recent policy changes as well as higher prices may be expected to stimulate a 0.5 million acre increase in flaxseed plantings. Assuming yields equal to those of 1972, total supplies in the United States would still be 30 percent lower for 1973-74 than 1972-73.

This means that linseed oil prices are likely to remain strong at least until January of 1974. The size of the Argentinian flaxseed crop harvested at that time will affect prices from that point onward.

Although protein prices are likely to decline somewhat in 1973-74, with the resulting decline in prices of linseed meal, prices of flaxseed should remain relatively strong throughout the 1973-74 crop year with the average price at Thunder Bay averaging near \$3.75 per bushel.

TABLE 2 - SUPPLIES OF FLAXSEED AND LINSEED OIL FOR MAIN EXPORTING COUNTRIES
(000 metric ton oil equivalent)

| | 1969-70 | 1970-71 | 1971-72 | 1972-73 | 1973-74 |
|--------------------|---------|---------|---------|---------|-------------------|
| <u>STOCKS</u> | | | | | |
| <u>Linseed Oil</u> | | | | | |
| Canada | 1.5 | 1.5 | 3.0 | 3.6 | 3.0 ^F |
| United States | 59.6 | 58.4 | 92.4 | 125.5 | 65.0 ^F |
| Argentina | 10.8 | 35.8 | 84.5 | 21.0 | 10.0 ^F |
| Total | 71.9 | 95.7 | 179.9 | 150.1 | 78.0 |
| <u>Flaxseed</u> | | | | | |
| Canada | 44.3 | 53.8 | 239.9 | 144.4 | 72.0 ^f |
| United States | 92.6 | 200.3 | 245.9 | 182.7 | 60.0 ^F |
| Argentina | 6.1 | 38.1 | 38.1 | 4.1 | 2.8 |
| Total | 143.0 | 292.2 | 523.9 | 331.2 | 134.8 |
| TOTAL (SEED & OIL) | 214.9 | 387.9 | 703.8 | 481.3 | 212.8 |
| <u>PRODUCTION</u> | | | | | |
| Canada | 248.4 | 441.2 | 201.3 | 171.5 | 243 ^f |
| United States | 323.0 | 270.9 | 167.6 | 124.7 | 175 ^f |
| Argentina | 244.1 | 252.0 | 99.4 | 105.5 | --- |
| Total | 815.5 | 964.1 | 468.3 | 401.7 | --- |
| TOTAL SUPPLIES | 1,030.4 | 1,352.0 | 1,172.1 | 883 | |

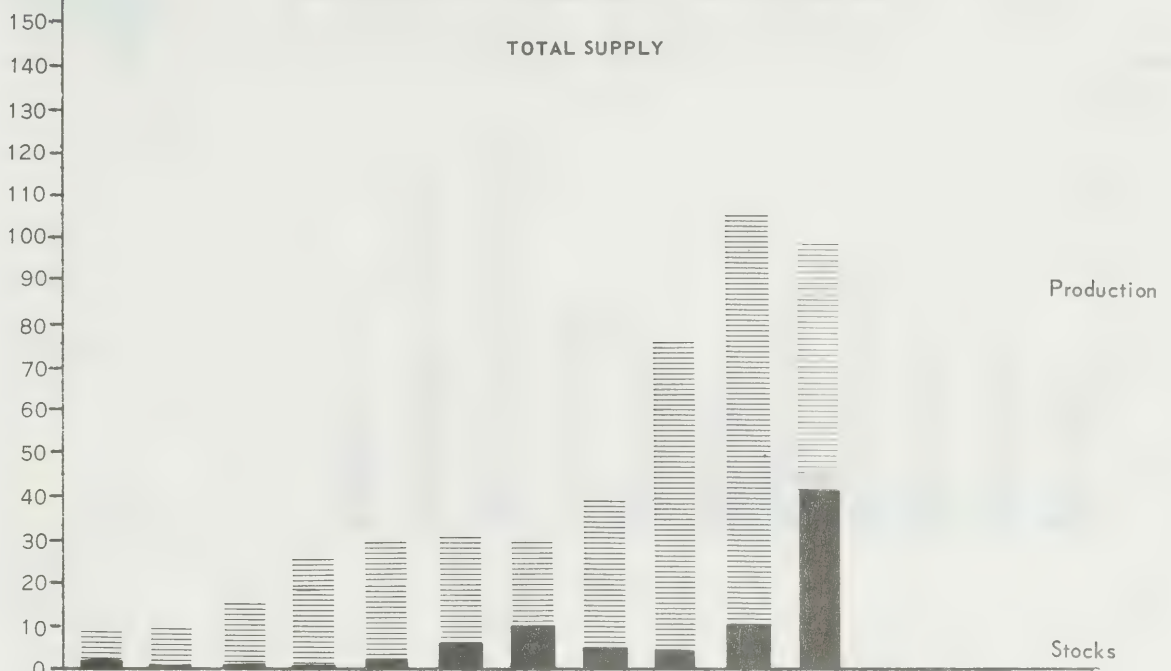
Major Source: Oil World

F - Forecast: Oil World

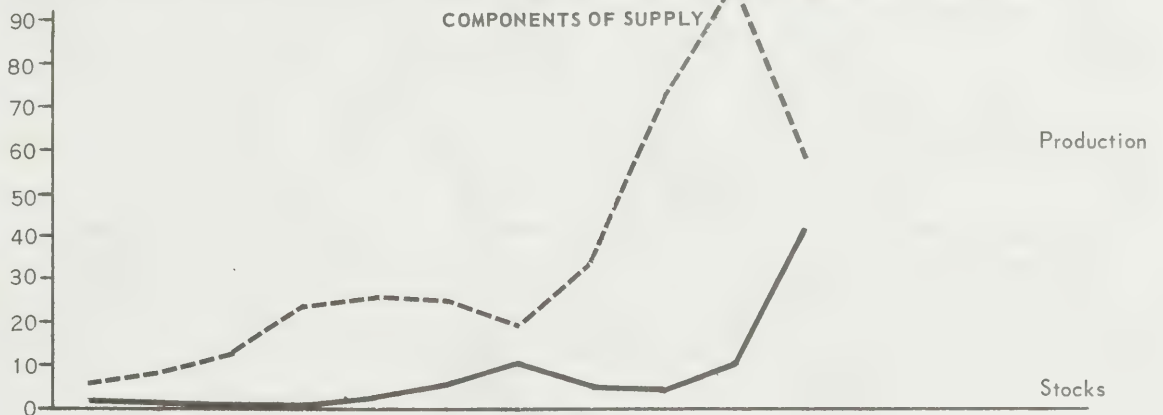
f - Author's forecast.

Million
Bushels

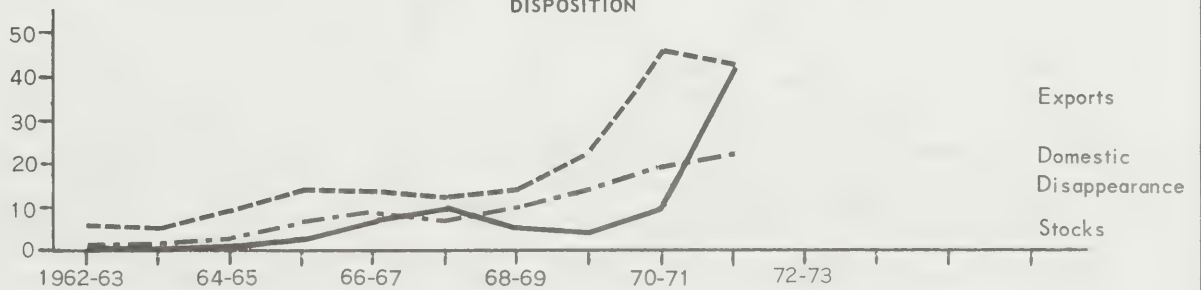
TOTAL SUPPLY



COMPONENTS OF SUPPLY



DISPOSITION



Agriculture
Canada

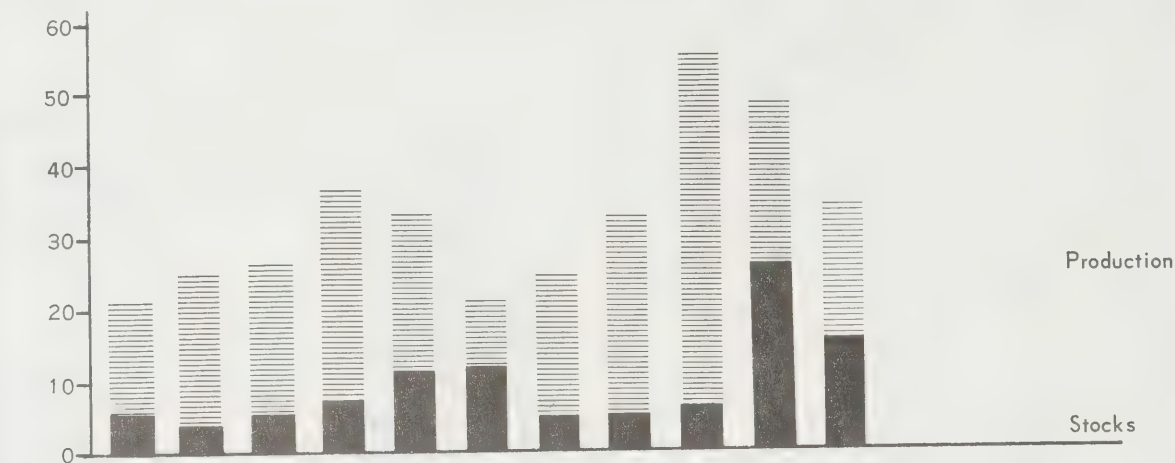
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Direction de
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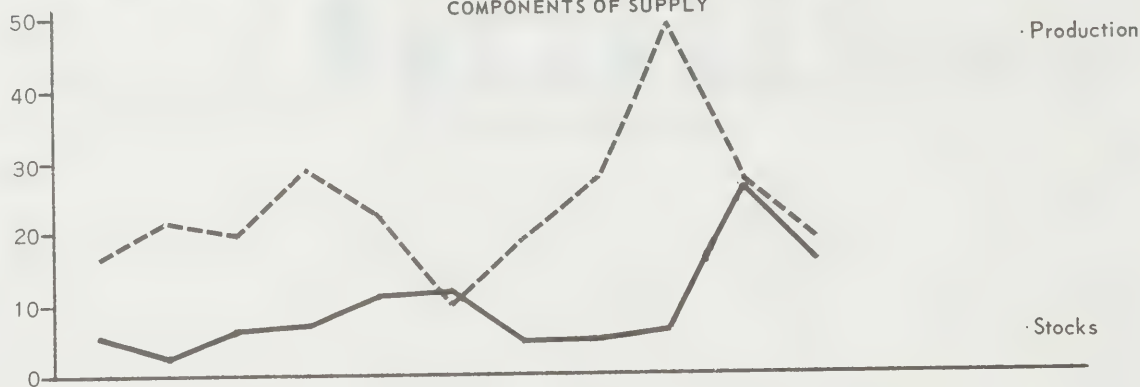
FLAXSEED – SUPPLY & DISPOSITION – CANADA 1962-63 TO 1972-73

Million
Bushels

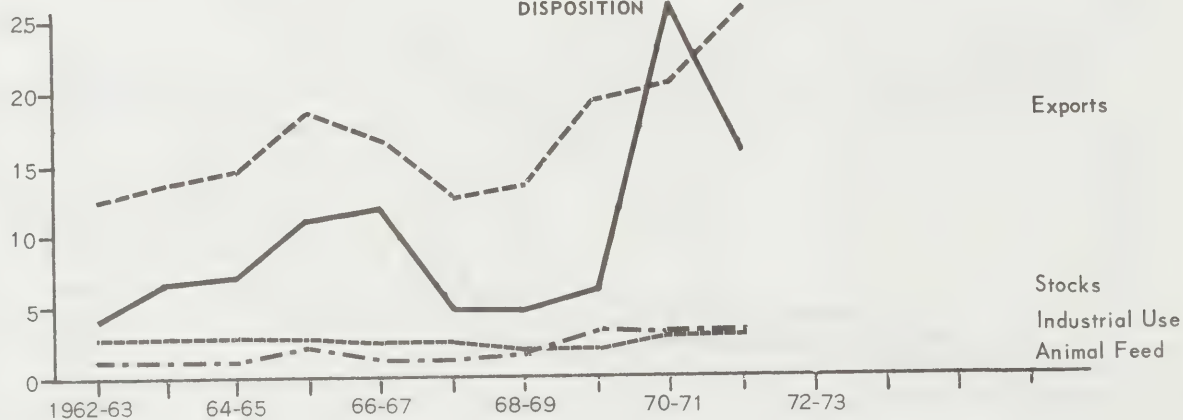
TOTAL SUPPLY



COMPONENTS OF SUPPLY



DISPOSITION



Agriculture
Canada

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SPECIAL CROPS

N.L. Longmuir

White bean prices for 1973-74 are expected to be about \$9.00 per hundredweight, although strong competition from the United States could depress prices as low as \$8.50.

Demand for lentils is improving with an increase in acreage of about 20 percent. Prices are expected to increase by about one to two cents per pound.

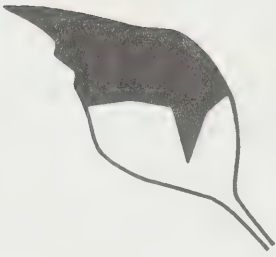
Surplus stocks of buckwheat continue to have a depressing influence on prices. Acreage is expected to decrease in 1973-74.

Flue cured tobacco production is down by about 12 percent and the price is up about 20 percent. The acreage for 1973 is expected to increase.

Dry Beans

The overall demand for domestic and export dry beans remains firm. However, strong competition is expected for Canadian exports because of a 13 percent increase in U.S. supplies of white beans and weaker U.S. prices. About 60 percent of the 1972-73 crop of Ontario white pea beans has been sold with about 65 percent as exports. Producer returns for white beans from the 1972-73 crop could average \$9.05 per hundredweight compared with \$10.53 for the 1971-72 crop. The Ontario acreage of white pea beans in 1973-74 is expected to be about 133,000 acres.

Supplies of yellow-eye beans from the 1972-73 crop are down about 300,000 pounds from the 1971-72 crop of two million pounds. About one-third of the 1972-73 crop has been sold to date. The price to date is about \$11.85 per hundredweight, down from the 1971-72 crop average price of \$13.08. The acreage that will be planted in yellow-eye beans in 1973-74 may equal or be



slightly higher than last year.

Price levels for the 1973-74 crop are likely to remain at the 1972-73 crop levels.

Dry Peas

The 1972-73 crop of dry peas are down about 50 percent in the U.S. and 10 percent in Canada from the 1971-72 crop. There has been an exceptionally strong demand for yellow-eye peas for the export trade. The record carryover of the 1971-72 crop could become a shortage by the end of the 1972-73 crop year. The 1972-73 crop price could be \$2.25 per bushel or better compared with a \$1.80 per bushel for the 1971-72 crop. Because of strong grain markets, dry pea acreage is expected to decrease for the 1973-74 crop year unless there are indications of a substantial increase in contract prices.

Lentils

Lentils are a relatively new crop that is being grown on the Prairies. The 1972-73 crop acreage of about 13,000 acres was planted and production was adequate to satisfy current demands. For the 1973-74 crop about 15,000 to 16,000 acres is expected to be planted on the Prairies. The price of lentils for the 1973-74 crop is expected to average about six to seven cents per pound compared to four to five cents per pound for the 1972-73 crop. At present there appears to be a strong export potential for lentils to countries such as Spain, Greece, West Germany and Venezuela.

Faba Beans

Faba beans were a new commercial crop grown in Canada during the 1972 crop year. Manitoba grew the largest acreage, about 2,000 acres with yields of about one ton per acre. The 1973-74 crop is expected to be in excess of 5,000 acres. In 1972-73 most of the beans were grown for seed purposes. The 1973-74 crop prices are expected to range from \$85.00 to \$125.00 per ton for livestock feed.

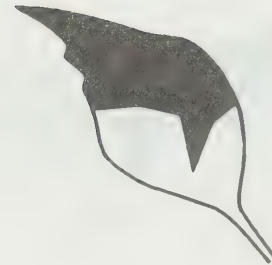
Buckwheat

Buckwheat acreage is expected to decrease from 103,000 acres for the 1972-73 crop to about 83,000 acres for the 1973-74 crop. Price is expected to range from \$1.80 to \$2.10 per bushel for the 1973-74 crop, compared to \$1.75 for the 1972-73 crop. Exports for the calendar year 1972 were 941,769 hundredweight compared to 784,351 hundredweight in 1971. Export prices averaged \$1.99 per bushel in 1972 compared to \$1.94 per bushel in 1971. Exports for 1973 are expected to remain firm due to increased interest by Japan and the United States.

Mustard

The 1972-73 mustard seed crop in Western Canada of 151.5 million pounds, was produced on 180,000 acres with Yellow mustard at 86,600 acres (48 percent), brown at 62,700 acres (35 percent) and oriental at 30,000 acres (17 percent).

Contract prices for yellow mustard for 1973-74 are expected to be about 6.5 to 7.5 cents per pound and about five cents per pound for brown and oriental mustard. These are increases from the 1972-73 prices of four cents for yellow mustard and 2.75 to three cents per pound for brown and oriental mustard.



Exports of mustard seed for the calendar year 1972 have increase about 11 percent from 1971. Exports prices have decreased about 17 percent. The 1973 exports and prices of mustard are expected to remain at the 1972 levels.

Tobacco

Sales of domestically produced cigarettes in Canada in 1972 increased by 2.3 percent to 53.9 billion. Sales of domestically produced cigars decreased by 11.5 percent to 560.9 million.

Exports of Canadian flue-cured leaf increased in 1972 by 5.8 percent to 51.3 million pounds. Leaf exports of Canadian burley increased by 45 percent to 701,383 pounds.

Sales of Ontario flue-cured tobacco by auction to February 21, 1973 totalled 139.1 million pounds, compared to 136.0 in 1972. The average price to this date was 79.36 cents per pound compared to 66.49 cents per pound last year.

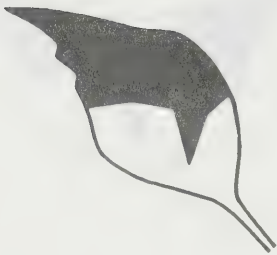
An increase in Canadian flue-cured acreage appears likely in 1973. The acreage of cigar tobacco in Quebec is expected to be about 3,500 acres. Ontario burley acreage could increase to 1,000 acres.

Seeds

Adequate supplies of most cereal and oilseed varieties will be available to meet expected demand in 1973. Ample supplies of Zephyr and Span rapeseed are available for the expected demand of rapeseed producers. Two new low erucic acid turnip rapeseed varieties (Midas and Torch) will also be available on the Prairies in limited quantities for seed multiplication. Midas, an Argentine variety, has a higher seed and oil content than Zephyr. Torch is equal or superior to Span in seed yield, oil and protein content.

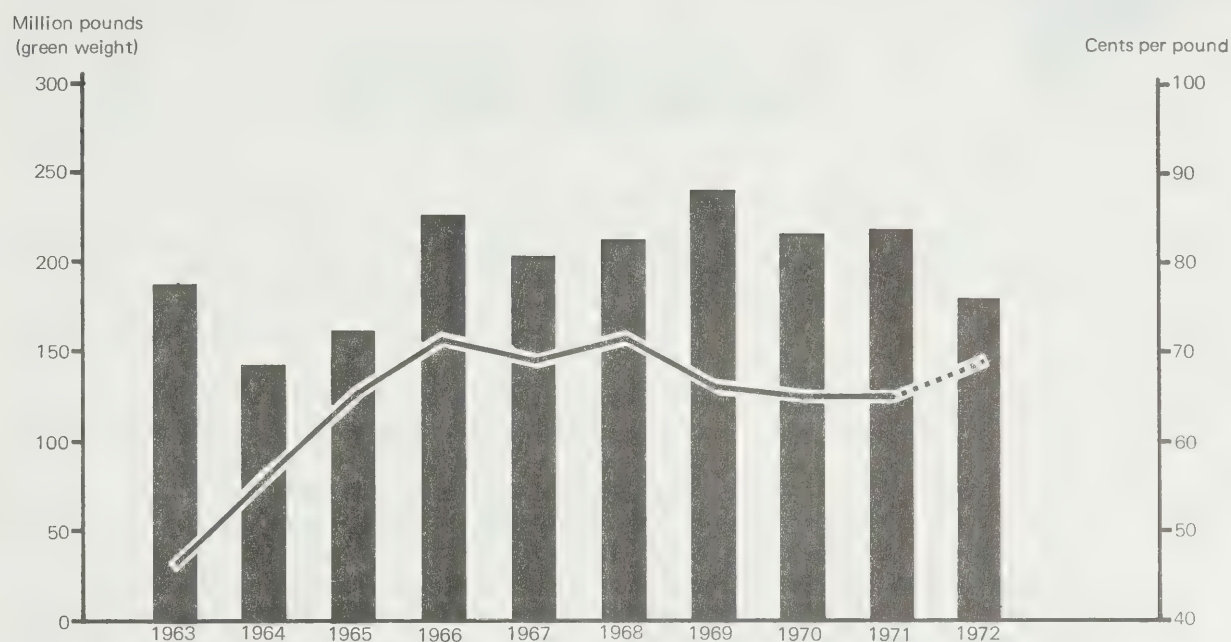
Forage seed supplies for the principle crops are down due to lower yields in some areas of Canada. Alfalfa inventories are down and imports from the United States are expected to increase in early 1973 to meet producer demands. Supplies of Alsike clover, Red clover, Sweet clover and Meadow Fescue legumes are down.

Prices for most forage seeds in 1973 are expected to increase substantially due to short supplies in some areas. Current export demands for forage seeds are stronger than a year ago. Likewise, imports of forage seeds, especially sweet clover and meadow fescue, have increased since last year.



Demand in Europe and Japan for certified seed of adapted varieties remains strong and expanded acreage under O.E.C.D. Seed Certification Scheme is expected in 1973.

PRODUCTION OF FLUE-CURED TOBACCO AND AVERAGE FARM PRICE – CANADA 1962-72



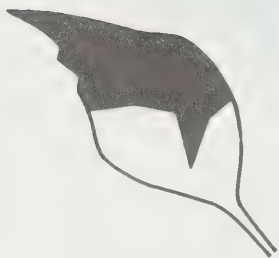
| Year | Production million lb. (green wt.) | Farm Price cents/lb. |
|------|--|-------------------------|
| 1963 | 187 | 46 |
| 1964 | 143 | 56 |
| 1965 | 159 | 65 |
| 1966 | 224 | 71 |
| 1967 | 204 | 69 |
| 1968 | 211 | 71 |
| 1969 | 240 | 66 |
| 1970 | 214 | 65 |
| 1971 | 217 | 65 |
| 1972 | 180 | 78 |



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SUGAR BEETS

A.J. de Leeuw

A tight world supply situation and a high level of demand, indicate that the current high sugar prices will continue.

World sugar production for 1972-73 is estimated at 77.1 million metric tons, about 4.6 million tons more than in 1971-72. World sugar consumption for 1972-73 is forecast at 77.2 million metric tons, an increase of 1.3 million tons against 1971-72. World stocks at the beginning of the 1972-73 crop year were down three million from a year earlier to 15.7 million metric tons.

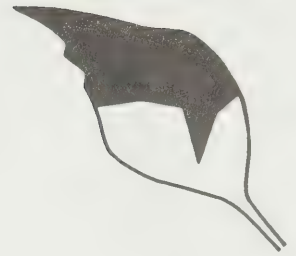
The average London Daily Price for raw sugar during September, 1972 was 7.72 cents a pound. By January 1973, the L.D.P. monthly average price was 10.31 cents a pound. The average for the 1971-72 crop was seven cents.

Production of sugar beets in Canada for the 1972-73 crop was 1.07 million tons compared with last year's output of 1.22 million tons. Production per acre fell by 11 percent while total acreage was down by four percent to 77,610 acres from 81,110 acres in 1971. Acreages in Manitoba and Quebec were lower than in 1971, whereas growers in Alberta harvested a record 43,325 acres. In Quebec, poor spring weather was responsible for the smaller acreage. Adjustments in acreage in Alberta and Manitoba reflect changes in inventory levels of refined beet sugar.

In 1972, production in Alberta at 657,000 tons accounted for 61 percent of the Canadian total, but remained almost four percent short of the record production in 1971. The crop in Manitoba declined to 331,000 tons from 363,000 tons in 1971. In Quebec, production was down sharply to 82,000 tons from 169,000 tons last year. The average refined sugar content of a ton of beets in Canada from the 1972 crop was 237 pounds compared to 248 pounds from the 1971 crop.

Production of refined beet sugar was 253 million pounds compared to the 302 million pounds processed from the 1971 crop. Stocks of beet sugar held by the Canadian Refiners on December 31, 1972 stood at 233 million, about 17 million pounds less than in 1971.

Sales of refined (beet and cane) sugar in Canada totalled 2.20 billion pounds, about 26 million pounds less than in 1971, of which refined beet sugar represented 287 million pounds or 13 percent. This compares with 252 million pounds and 11.3 percent in 1971.



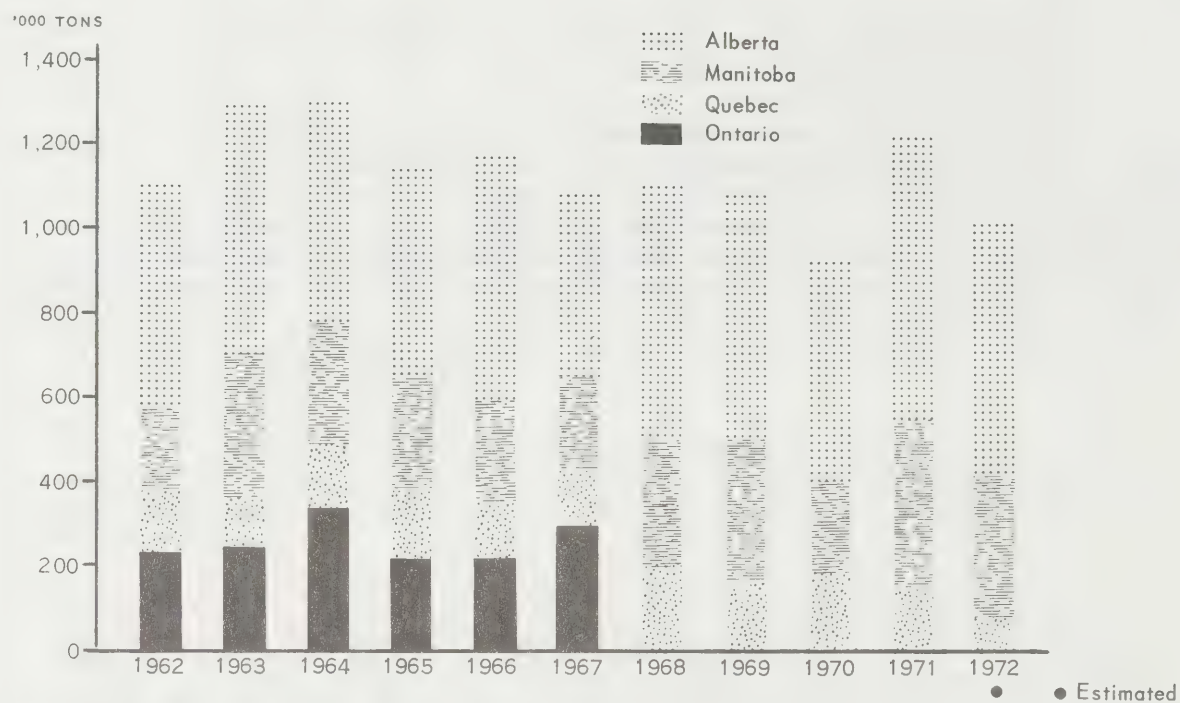
In Alberta and Manitoba, the acreage contracted for sugar beets in the coming year is expected to decline slightly from last year's level. In Quebec, assuming better spring weather conditions, the planted acreage is expected to increase by five to ten percent over the 1972 figure of 8,585 acres.

Domestic beet sugar prices to producers in 1972-73 are expected to average about the same level as 1971-72.

Raw and refined sugar were among the temporary tariff reductions announced in the February 19th Budget. For raw sugar, polarizing at 96 degrees, the British Preferential and the Most Favoured Nation tariff rates are reduced by 29 cents per hundredweight. All temporary tariff reductions will be "in force for an initial period of one year ... the reduction will be reviewed thoroughly before the measure expires".¹

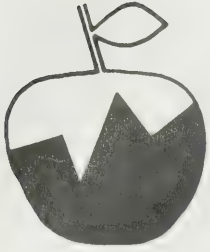
¹ Budget Speech of the Minister of Finance, p. 12, February 19, 1973.

SUGAR BEET PRODUCTION – CANADA 1962-72



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FRUIT

T.A. Bennett

Stocks of fresh and processed fruit and fruit products in both Canada and the U.S. are generally below the previous year's level with prices at relatively high levels.

Fresh fruit prices will remain at relatively high levels throughout the remainder of the season. Relatively strong demand for both fresh fruit and fruit for processing will result in good prices in the coming season.

Situation

Apples

The 1972 Canadian apple crop was placed at 857 million pounds, about one percent below the previous year. The crop was smaller in all producing provinces with the exception of British Columbia. The U.S. apple crop at 5,836 million pounds, was eight percent below the 1971 and 1970 crops. Although the crop in the U.S. was smaller, the Western region had a seven percent larger crop than 1971. Generally, poor apple crops were experienced in the EEC countries and several other areas of the world.

Canadian storage stocks of fresh apples in all types of storage on February 1, 1973, totalled 248 million pounds, about ten percent less than the same date the previous year. This is the lowest stock level since 1966. Only British Columbia had larger stocks. Stocks in that province were about 18 percent above the previous year. U.S. stocks on February 1, 1973, were 1,316 million pounds, 18 percent less than a year earlier.

Exports of apples for the season to date, February 1, 1973, totalled 76.4 million pounds, a 52 percent increase over the same period in the previous year. Apple imports during the period July 1, 1972, to January 1, 1973, totalled 36.9 million pounds, an increase of nearly



two percent above the same period a year earlier.

Apple prices have averaged well above the price levels of last year. The following comparative wholesale prices are for the first week in February.

| <u>Wholesale to Retail Prices</u> | | |
|--|-------------|-------------|
| <u>Fancy</u> | <u>1973</u> | <u>1972</u> |
| Quebec, cello 8/5 lb. at Montreal (McIntosh) | \$3.75-3.90 | \$2.80-3.00 |
| Ontario, bu. at Toronto (McIntosh) | 3.25-3.50 | 2.50-2.75 |
| B.C., ctn., at Winnipeg (Red Delicious) | 7.50-7.65 | 6.75-7.25 |
| Okanagan, ctn., at Vancouver (Red Delicious) | 7.00-7.50 | 5.95-6.50 |

The 1972-73 pack of canned applesauce to January 1, 1973, totalled 509 thousand cases, about 13 percent below the same date in the previous year. The canned apple juice packs (from fresh apples) totalled 3.3 million cases, 37 percent above the previous year. Data on canned solid pack apples is available only to November 30. On that date the pack was 94 thousand cases, about the same as a year earlier. The pack of frozen apples on January 1, was 3.7 million pounds, 32 percent above the same date one year earlier.

Stocks of canned solid pack apples on January 1, 1973, totalled 3.5 million cases, 52 percent less than stocks one year earlier. Canned apple sauce stocks were 15.1 million cases, 23 percent less than the previous year and canned apple juice stocks (from fresh apples and concentrates) totalled 77.8 million cases, 17 percent larger than on January 1, 1972. Stocks of frozen apples totalled 4.2 million pounds, a decrease of about 13 percent.

Pears

The 1972 Canadian pear crop is estimated at about 100 million pounds, an increase of nearly 11 percent over the 1971 crop. All producing provinces had an increase in production in 1972 over 1971. The U.S. pear crop totalled 1,220 million pounds, 13 percent less than 1971. Bartlett production in the U.S. totalled 882 million pounds, ten percent below 1971, while production of varieties other than Bartletts totalled 238 million pounds, down 25 percent. Pear production in the EEC and certain other pear producing countries was also down in 1972.

Pear stocks in Canada on February 1, 1973, were 2.5 million pounds, 36 percent greater than the same date in 1972 and the highest for this date since 1967 when stocks totalled 5.3 million pounds. Stocks were greater in all provinces except British Columbia which registered a 27 percent decrease. Stocks of pears in the U.S., on February 1, 1973, were 63 million pounds, down about 48 percent from the previous year.

Pear exports for the period July 1, 1972, to January 1, 1973 totalled 2.6 million pounds, a decrease of about 11 percent. Imports, on the other hand, totalled 24.5 million pounds, an increase of 22 percent.

TABLE 1 - APPLE PRODUCTION IN SPECIFIED COUNTRIES^a

| Continent and Country | Crop Year | | | | | |
|-----------------------------|-----------------|---------|-----------|---------|----------------------|----------------------|
| | 1967-68 | 1968-69 | 1969-1970 | 1970-71 | 1971-72 ^b | 1972-73 ^b |
| | million bushels | | | | | |
| <u>North America</u> | | | | | | |
| Canada | 26.2 | 21.5 | 22.7 | 21.3 | 20.5 | 20.4 |
| Mexico | 6.7 | 6.7 | 7.2 | 8.5 | 9.0 | 9.0 |
| United States | 129.2 | 130.1 | 163.4 | 152.3 | 151.7 | 139.0 |
| Total | 162.1 | 158.3 | 193.3 | 182.1 | 181.2 | 168.4 |
| <u>Europe</u> | | | | | | |
| Austria | 12.9 | 10.0 | 10.3 | 9.9 | 8.3 | 7.6 |
| Belgium-Luxembourg | 15.7 | 9.8 | 16.4 | 13.2 | 14.8 | 13.0 |
| Denmark | 4.5 | 4.4 | 4.6 | 4.4 | 4.2 | 3.9 |
| France | 81.4 | 96.7 | 87.8 | 88.3 | 95.1 | 91.0 |
| Germany, West | 119.3 | 82.4 | 135.0 | 93.3 | 103.9 | 66.3 |
| Greece | 9.4 | 10.1 | 10.2 | 10.9 | 11.8 | 10.5 |
| Italy | 101.4 | 101.4 | 105.5 | 108.2 | 89.1 | 94.5 |
| Netherlands | 25.6 | 17.8 | 24.9 | 23.6 | 27.3 | 24.7 |
| Norway | 2.6 | 3.4 | 2.8 | 2.5 | 2.7 | 2.7 |
| Spain | 15.8 | 22.5 | 20.8 | 23.6 | 30.0 | 27.6 |
| Sweden | 2.2 | 2.3 | 1.7 | 2.3 | 2.3 | 2.5 |
| Switzerland | 5.5 | 4.8 | 6.6 | 4.7 | 5.8 | 4.5 |
| United Kingdom | 15.9 | 18.5 | 21.9 | 26.7 | 24.0 | 19.7 |
| Yugoslavia | 15.8 | 16.0 | 25.4 | 14.5 | 17.3 | 24.7 |
| Total | 428.0 | 400.1 | 473.9 | 426.1 | 436.6 | 393.2 |
| <u>Asia</u> | | | | | | |
| Japan | 59.1 | 59.6 | 57.0 | 53.6 | 52.9 | 52.5 |
| Lebanon | 9.8 | 8.9 | 4.2 | 6.2 | 8.4 | 7.3 |
| Turkey | 33.6 | 36.7 | 32.5 | 39.3 | 36.7 | |
| <u>South America</u> | | | | | | |
| Argentina | 24.6 | 22.9 | 23.4 | 22.3 | 26.9 | 11.7 |
| Chile | 5.4 | 5.2 | 4.3 | 4.9 | 5.1 | 3.7 |
| <u>Africa</u> | | | | | | |
| South Africa | 11.4 | 10.9 | 11.0 | 11.9 | 13.0 | ^c |
| <u>Oceania</u> | | | | | | |
| Australia | 19.6 | 22.2 | 22.3 | 25.1 | 20.3 | 24.1 |
| New Zealand | 5.9 | 5.6 | 7.0 | 6.0 | 6.9 | 7.7 |
| Total Specified Countries | 759.5 | 730.4 | 828.9 | 777.5 | 788.0 | |

^a Dessert and cooking varieties except in those instances where cider apples are not reported separately. The southern hemisphere crops are those harvested in the latter part of the crop year shown.

^b Preliminary.

^c Larger than preceding year.

Source: United States Department of Agriculture, Foreign Agricultural Service, and Statistics Canada.



Pear prices are considerably above the levels a year ago. The following comparative prices are for the first week of February.

Wholesale to Retail Prices

| | <u>1973</u> | <u>1972</u> |
|------------------------------|-------------|--------------------------|
| B.C.-ctn., XF, at Montreal | \$9.25-9.75 | \$7.50-8.75 ^a |
| B.C., ctn., F, at Toronto | 8.75-9.00 | 7.50-7.75 |
| B.C., ctn., XF, at Winnipeg | 9.65-10.15 | 7.95-8.20 |
| B.C., ctn., XF, at Vancouver | 9.30-9.50 | 7.50-7.75 |

^a Fancy, XF, not available.

The 1972 pack of canned pears totalled 953 thousand cases, a decrease of six percent from the 1971 pack. Stocks of canned pears on January 1, 1973, totalled 25.2 million cases, four percent less than a year earlier.

Processed Cherries

The canned sweet cherry pack in 1972 totalled 1.9 million pounds, 46 percent lower than the 1971 pack. The 1972 pack of canned sour cherries totalled 3.4 million pounds, a 19 percent decrease, while the pack of frozen cherries was 10.5 million pounds, 26 percent below the 1971 pack.

The stocks of canned sweet cherries on January 1, 1973, totalled 1.7 million pounds, 50 percent lower than a year earlier. Canned sour cherry stocks totalled 2.2 million pounds, 12 percent below the previous year. Frozen cherry stocks on January 1, 1973, totalled 5.9 million pounds, 27 percent below stocks one year earlier.

Processed Strawberries

The pack of canned strawberries in 1972 totalled 1.1 million pounds, 45 percent less than the 1971 pack. The frozen strawberry pack was 9.6 million pounds, a decrease of 38 percent.

Canned strawberry stocks on January 1, 1973 were 356 thousand pounds, a decrease of 64 percent. Frozen strawberry stocks on January 1, totalled 9.1 million pounds, a decrease of 21 percent.

Processed Plums

The 1972 pack of canned plums totalled 4.7 million pounds, 25 percent below 1971. The frozen plum pack in 1972 was 82 thousand pounds compared to 699 thousand pounds in 1971.

Stocks of canned plums on January 1, 1973 were about 5.6 million pounds, a decrease of about 11 percent from the previous year. Frozen plum stocks on January 1 were nearly one million pounds, an increase of ten percent.

Processed Peaches

The pack of canned peaches in 1972 totalled 11.7 million pounds, 45 percent below the previous year. Stocks of canned peaches on January 1, 1973 were 12.0 million pounds, 28 percent below the previous year.



Outlook

Apples

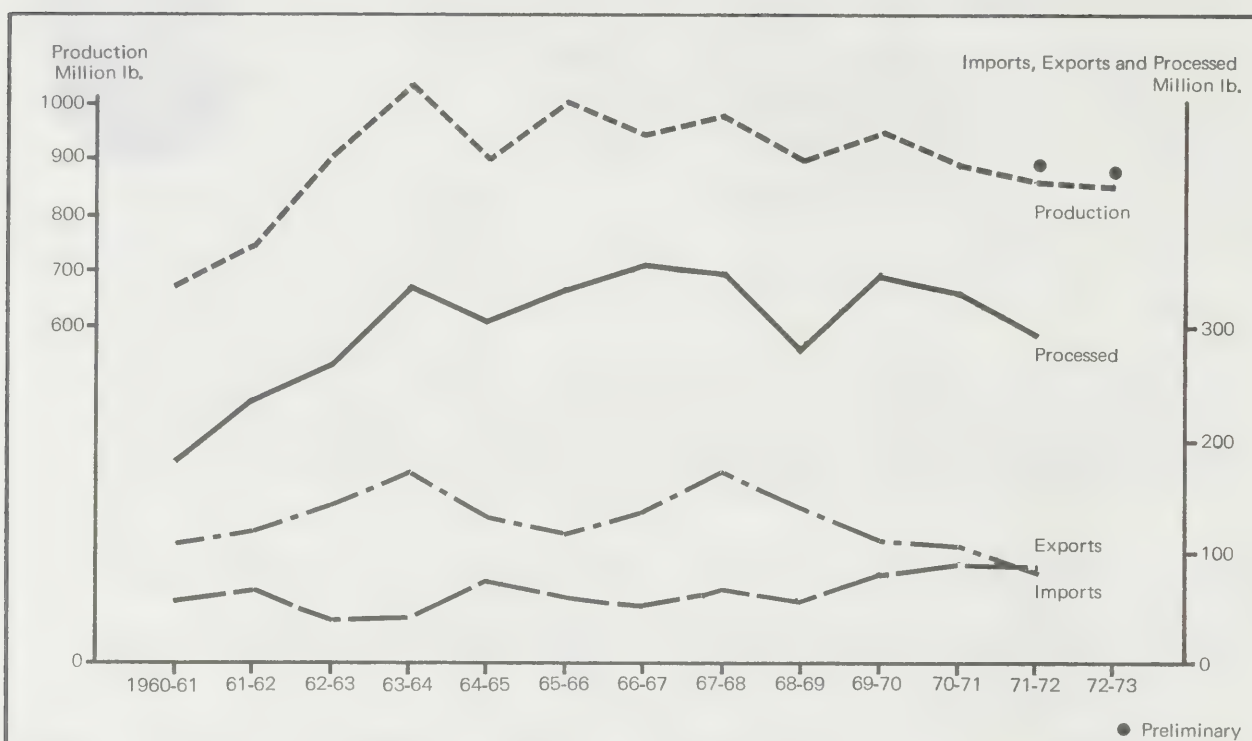
The outlook for Canadian apples will continue to be bright during the remainder of the season. Generally, demand exceeds supply. However, for the Atlantic Regions, some export markets that have been developed over the past few years may be difficult to regain in the future because of the inability to maintain a continuity of supply.

With very good demand from the processing sector, increased export demand and good domestic consumer demand prices are expected to remain at high levels. Low processor stocks of apple products, with the exception of apple juice, also indicate potential for a good processor demand for apples during the 1973-74 season.

Other Fruit

With stocks of most processed fruit products considerably below year earlier levels, raw product demand next season should be strong. Generally, supplies in 1972-73 were insufficient to meet demand. Barring any major weather calamities, producers of tender and soft fruits should have a good year before them in 1973-74.

CANADIAN APPLES: SUPPLY . . . EXPORTS . . . PROCESSED



| | Production | Imports | Exports | Processed |
|---------|--------------------|---------|---------|-----------|
| 1960-61 | 671.1 | 52.1 | 106.7 | 180.9 |
| 1961-62 | 743.4 | 63.8 | 114.2 | 233.0 |
| 1962-63 | 904.3 | 37.0 | 140.5 | 266.2 |
| 1963-64 | 1,036.6 | 39.9 | 169.1 | 333.8 |
| 1964-65 | 902.3 | 72.5 | 129.9 | 305.6 |
| 1965-66 | 1,004.2 | 58.3 | 114.5 | 336.6 |
| 1966-67 | 946.9 | 49.7 | 137.0 | 357.2 |
| 1967-68 | 982.8 | 66.4 | 169.1 | 349.8 |
| 1968-69 | 901.5 | 56.4 | 136.5 | 280.8 |
| 1969-70 | 955.1 | 79.4 | 110.2 | 350.3 |
| 1970-71 | 894.0 | 90.3 | 104.8 | 331.0 |
| 1971-72 | 862.3 ^a | 86.9 | 83.0 | 286.1 |
| 1972-73 | 856.6 ^a | - b | - b | - |

^a Preliminary.

^b Not available until about mid-August 1973.



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VEGETABLES

T.A. Bennett

Supplies of potatoes by the end of the season will become tight as Canadian potato stocks are at their lowest level since 1965. Prices will remain at relatively high levels through the remainder of the season. Tight supplies of most other fresh vegetables will also be prevalent. The production of 13 principal winter vegetables in the U.S. is expected to be down four percent. In the coming season, processor demand for most vegetables for processing should be strong.

Situation

Potatoes

Potato supplies in North America are substantially below the 1971-72 level. The Canadian crop, at 41.4 million cwt., was 15 percent smaller than the 1971 crop while the U.S. fall crop, at 234 million cwt., was eight percent smaller. Canadian storage holdings on February 1, 1973, were 15.1 million cwt., 32 percent below February 1, 1972, and the lowest since 1965. U.S. stocks of fall potatoes on February 1 stood at 106.6 million cwt., 14 percent below the previous year.

Movement in both Canada and the U.S. has been very good. Although a smaller crop, processor utilization in the U.S. is up five percent over the previous year. With higher prices and movement nearly equal to, or in some cases better, than the previous year, a strong demand is indicated.

World supplies of potatoes are low with major potato utilizing countries, such as the USSR and countries in South America, experiencing short crops. Also, poor harvesting conditions in the seed producing regions of the U.S. has resulted in tight supplies of seed potatoes.



Exports of table and seed potatoes for the season to date, February 1, totalled 2.2 million cwt. compared to the 1.7 million cwt. shipped during the same period in 1972, a 30 percent increase. Seed potato exports increased 49 percent while table stock exports were about equal to the previous year.

Total potato imports during the period July 1, 1972, to January 1, 1973 were 131.3 million pounds, a 20 percent increase over the previous year. Seed potato imports during this period totalled 346 thousand pounds compared to none in the previous year. Imports of table stock totalled 130.9 million pounds, a 19 percent increase.

Average wholesale prices in 1973 have moved upward during the season. Average wholesale and grower price levels in the 1972-73 season are considerably above the price levels of the 1971-72 season. Comparable prices for the first week in February for 1972 and 1973 are as follows:

| <u>Canada No. 1</u> | <u>Wholesale to Retail Prices</u> | |
|----------------------------|-----------------------------------|------------------------|
| | <u>1973</u> (¢/lb.) | <u>1972</u> (¢/lb.) |
| N.B. at Montreal (White) | 5.50-5.80 | 2.20-2.70 |
| P.E.I. at Toronto (White) | 5.87-6.00 | 2.87-3.00 |
| Manitoba at Winnipeg (Red) | 6.47-6.67 | 3.00-3.33 |
| B.C. at Vancouver (Gem.) | 6.50 | 4.00-4.20 |

| <u>Canada No. 1</u> | <u>Bulk to Producers</u> | |
|------------------------|--------------------------|------------------------|
| | <u>1973</u> (¢/lb.) | <u>1972</u> (¢/lb.) |
| In N.B. | 3.94-4.24 | 1.18-1.30 |
| In P.E.I. | 4.00-4.13 | 1.33 |
| In Alta. (Washed Gems) | 6.00-6.20 | 3.25-3.50 |

Onions

Canadian onion production in 1972 was considerably below the previous year. Summer onion production in the U.S. is estimated at 19.5 million cwt., about nine percent below the previous two years.

Onion stocks in Canada on February 1 totalled 449.5 thousand cwt., 41 percent below last year at this time. In the U.S., stocks on January 1, 1973 were estimated at 3.5 million cwt., 29 percent less than a year earlier and 37 percent less than January 1, 1971.

Onion exports for the 1972-73 season to date, February 1, were 9.1 million pounds compared to a total of 7.8 million pounds exported during the same time period of the 1971-72 season, an increase of 16 percent.

Imports of onions during the period July 1, 1972, to January 1, 1973 totalled 34.9 million pounds compared to total imports during the same period in the previous year of 37.8 million pounds, a decrease of eight percent.

Wholesale onion prices are considerably above the 1971-72 season levels. The comparative prices listed below are for the first week in February.



| <u>Wholesale to Retail Prices</u> | | |
|--|-------------------------|-------------------------|
| <u>Canada No. 1, Bag, Medium Yellow - in 50 lbs.</u> | <u>1973 (¢/lb.)</u> | <u>1972 (¢/lb.)</u> |
| Quebec at Montreal | 10.50 | 3.00-3.50 |
| Ontario at Toronto | 11.00-12.00 | 3.30-3.50 |
| Manitoba at Winnipeg | 12.50-13.00 | 5.70-5.90 |
| B.C. at Vancouver | 12.50-12.80 | 5.90-6.00 |

| <u>Price F.O.B., Grower's Shipping Point</u> | | |
|--|-------------------------|-------------------------|
| <u>Yellow, No. 1, 1 3/4" Minimum, in 50 lb. Bags</u> | <u>1973 (¢/lb.)</u> | <u>1972 (¢/lb.)</u> |
| In Quebec | 9.7 -10.0 | 2.7 -3.0 |
| In Ontario | 9.7 -11.2 | 2.5 -3.0 |
| In B.C. (Coast) | 10.0 | 4.5 |

Rutabagas

The crop of rutabagas and turnips in Canada in 1972 was smaller than the previous year due primarily to weather factors. Stocks on February 1, 1973 totalled 49.8 million pounds, 15 percent less than a year ago.

Exports of rutabagas to date, February 1, totalled 58.3 million pounds. This is six percent below the 61.8 million pounds exported during the same time period last year.

Wholesale and grower prices in the 1972-73 season are considerably above the levels of the 1971-72 season. The following comparative prices are for the first week in February.

| <u>Wholesale to Retail Prices</u> | | |
|-----------------------------------|-------------------------|-------------------------|
| | <u>1973 (¢/lb.)</u> | <u>1972 (¢/lb.)</u> |
| Quebec, washed, at Montreal | 7.00-7.50 | 2.50-3.00 |
| Ontario, waxed, at Toronto | 6.30-6.50 | 4.00-4.50 |
| Manitoba, washed, at Winnipeg | 8.20-8.70 | 6.00-6.50 |
| Alberta, at Vancouver | 9.00-9.50 | 7.50-7.90 |

| <u>Bulk to Producers</u> | | |
|--------------------------|-------------------------|-------------------------|
| | <u>1973 (¢/lb.)</u> | <u>1972 (¢/lb.)</u> |
| In P.E.I. | 3.00 | 2.20-2.60 |
| In Quebec | 5.00-5.50 | 1.70-1.90 |
| In Ontario | 3.00 | 1.40-1.60 |



Cabbage

Cabbage production in 1972 was lower in Canada than the previous year. In the U.S., cabbage production for the fresh market was nearly three percent smaller than in 1971.

Cabbage stocks in Canada on February 1, 1973 totalled 2.6 million pounds, 22 percent below February 1, 1972. Stocks in Ontario and the prairies were above the level the previous year while stocks in the other producing provinces were down.

Exports of cabbage for the season to date, February 1, 1973 were 1.7 million pounds compared to 2.9 million pounds during the same time period of the 1971-72 season, a 41 percent decrease.

Wholesale cabbage prices are averaging above the previous year in Quebec, but below in Ontario. The following comparative prices are for the first week in February.

| <u>Canada No. 1</u> | <u>Wholesale to Retail Prices</u> | |
|------------------------|-----------------------------------|------------------------|
| | <u>1973</u> (¢/lb.) | <u>1972</u> (¢/lb.) |
| Quebec at Montreal | 7.50-8.00 | 4.50-5.00 |
| Ontario at Toronto | 6.00-6.50 | 6.50-7.00 |
| California at Winnipeg | 10.00-11.00 | 9.50-10.50 |

Carrots

Carrot production in both Canada and the U.S. was larger in 1972 than in 1971. Stocks of carrots in Canada on February 1, 1973 totalled 65.0 million pounds, a 33 percent increase over the same date last year. Exports for the season to date, February 1, 1973 were 37.5 million pounds, a decrease of 17 percent.

Imports of carrots during the period July 1, 1972, to January 1, 1973 totalled 19.3 million pounds, an increase of 24 percent. This compares to total imports in the previous year during the same time period of 15.6 million pounds.

Carrot prices have averaged close to or above the prices last seasons. The following comparative prices are for the first week in February.

| <u>Canada No. 1</u> | <u>Wholesale to Retail Prices</u> | |
|------------------------------------|-----------------------------------|------------------------|
| | <u>1973</u> (¢/lb.) | <u>1972</u> (¢/lb.) |
| Quebec at Montreal (24 x 2 lb.) | 6.77-7.29 | 6.77-7.29 |
| Ontario at Toronto (bu.) | 5.00-5.50 | 4.00-4.50 |
| Manitoba at Winnipeg (50 lb. bags) | 6.90-7.00 | 6.50-7.50 |

Price F.O.B. Grower's Shipping Point

Washed, Canada No. 1



| | <u>1973</u> (¢/lb.) | <u>1972</u> (¢/lb.) |
|---------------------------|------------------------|------------------------|
| In Quebec (24 x 2 lb.) | 6.25-6.77 | 4.50-5.20 ^a |
| In Ontario (24 x 2 lb.) | 7.81 | 7.29-7.50 |
| In Manitoba (50 lb. bags) | 7.60 | 8.00 |

^aIn 50 lb. bags.

Processed Corn

The 1972 pack of canned whole kernel corn totalled 60.6 million pounds, nearly two percent less than last year's pack. The pack of canned cream style corn totalled 52.2 million pounds, 15 percent less than in 1971. The pack of canned corn-on-cob totalled 7.7 million pounds, nearly 20 percent less.

The pack of frozen corn totalled 23.5 million pounds, 19 percent larger than last year's pack while the pack of frozen corn-on-cob totalled 3.5 million pounds, seven percent larger.

Stocks of canned whole kernel corn on January 1, 1973 totalled 47.2 million pounds, a decrease of seven percent from the same date last year. Stocks of canned cream style corn were 44.8 million pounds, 14 percent less than a year earlier and stocks of canned corn-on-cob were 3.6 million pounds, 12 percent less. Frozen corn stocks on January 1, 1973 were 19.7 million pounds, an increase of about 13 percent.

Processed Asparagus

The 1972 pack of canned asparagus totalled 13.9 million pounds, an increase of 24 percent over the previous year. The pack of frozen asparagus was 830 thousand pounds, 15 percent less than the 1971 pack.

Stocks of canned asparagus on January 1, 1973 totalled 6.0 million pounds, 87 percent more than the previous year. Frozen asparagus stocks totalled 492 thousand pounds, 11 percent above the previous year.

Processed Tomatoes

The pack of canned tomatoes in 1972 totalled 81.4 million pounds, a decrease of 18 percent below the 1971 pack. The canned tomato juice pack totalled 186.1 million pounds, nearly three percent larger than the previous year.

Stocks of canned tomatoes on January 1, 1973 totalled 57.7 million pounds, eight percent less than the same date last year. Tomato juice stocks totalled 122.7 million pounds, 17 percent above a year earlier.



Processed Green and Wax Beans

The pack of canned green beans in 1972 totalled 37.5 million pounds, 26 percent less than in 1971. The canned wax bean pack totalled 29.9 million pounds, 38 percent less than the 1971 pack. The pack of frozen green beans in 1972 was 14.7 million pounds, a 15 percent increase over the previous year while the frozen wax bean pack totalled 2.1 million pounds, an increase of 102 percent.

Stocks of canned green beans on January 1, 1973 totalled 26.5 million pounds, 15 percent less than a year earlier. Canned wax bean stocks totalled 18.1 million pounds a 37 percent decrease from January 1, 1972. Frozen green bean stocks on January 1 were 11.5 million pounds, nine percent above a year earlier while stocks of frozen wax beans totalled 1.2 million pounds, a decrease of 46 percent.

Processed Peas

The 1972 pack of canned green peas totalled 76.1 million pounds, a decrease of 24 percent from 1971, while the frozen green pea pack was 49.2 million pounds, 21 percent higher than the previous year.

Stocks of canned green peas on January 1, 1973 totalled 41.8 million pounds, 41 percent less than January 1, 1972. Frozen green pea stocks were 25.9 million pounds, a decrease of nine percent, despite the higher pack in 1972.

Outlook

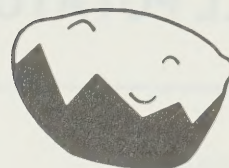
Potatoes

Despite lower supplies and higher prices, movement to the fresh market and utilization by processors remain high. Available supplies by the end of the season will undoubtedly become tight with prices remaining at high levels. The U.S. winter crop is expected to total near 2.6 million cwt., an increase of ten percent above the previous year, while the spring potato crop is expected to be up only slightly. This increase in the U.S. should have very little influence upon Canadian potato prices later in the season.

The total demand for potatoes is expected to increase gradually in the years ahead. The increase will be primarily due to population growth and increasing disposable income. In the U.S. it is estimated that half the current food use of potatoes is tied to processing. Per capita consumption of fresh potatoes is expected to decline rapidly as consumption of processed potato products continues upward.

Extreme caution should be taken in 1973 to avoid overplanting. With high prices expected to the end of the season, producers may be encouraged to overplant. Potato acreage in 1973 should be kept at about the same level as in 1972.

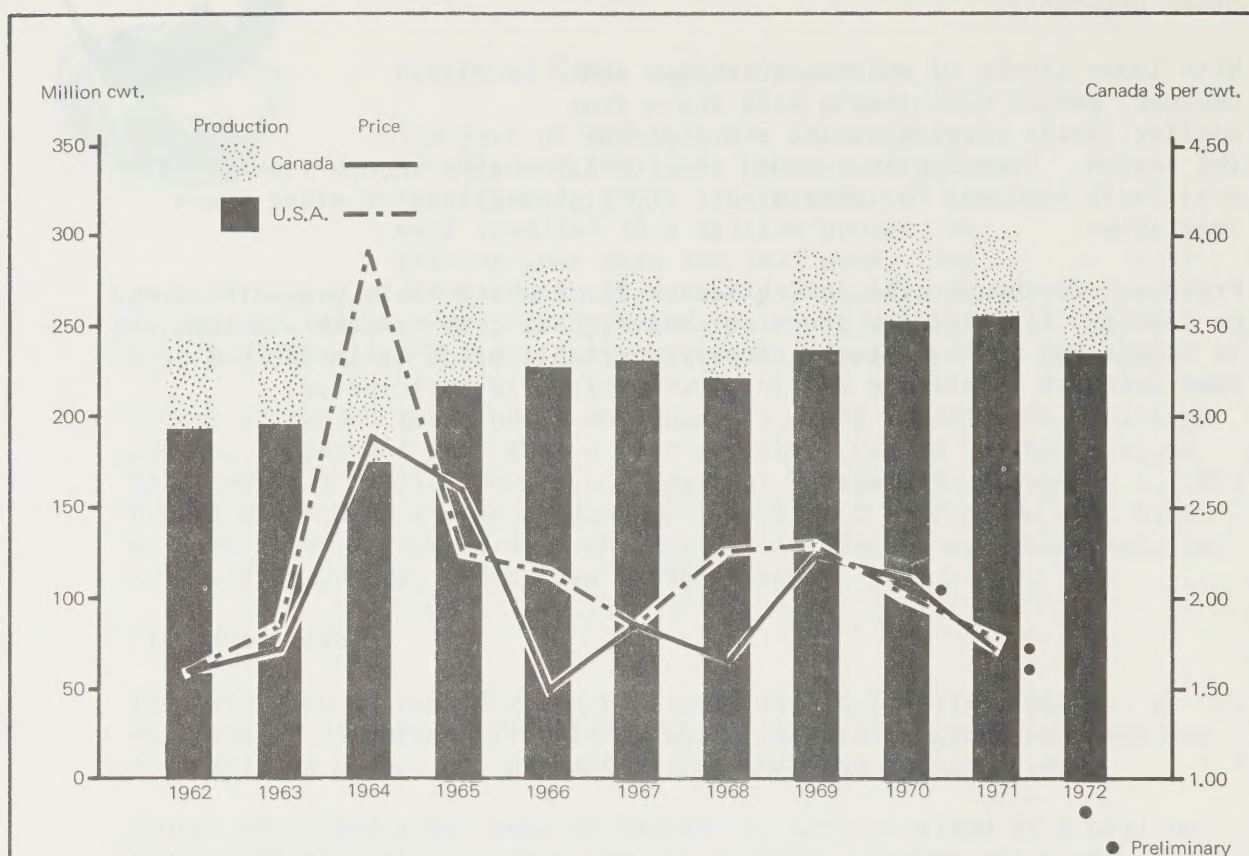
Other Vegetables



With lower stocks of onions, rutabagas and cabbage, prices will remain well above year earlier levels throughout the remainder of the season. Carrot prices could remain stable even though stocks are relatively high due to lower stocks and higher prices of other fresh vegetables.

Processor demand for the coming season for raw vegetable products should be strong. With smaller stocks of beans, beets, corn, peas and tomatoes in Canada and smaller stocks of many vegetable products in the U.S., some increase in acreage and in grower prices is anticipated.

FALL POTATOES: PRODUCTION – AVERAGE FARM PRICE



| | Production | | | Average Farm Price | |
|-------------------|------------------|---------------------|--------------------|--------------------|-------------------|
| | U.S.A. | Canada ^b | U.S.A. plus Canada | U.S.A. | Canada |
| | - million cwt. - | | | \$ (Can) per cwt. | |
| 1961 | - | - | - | - | 1.40 |
| 1962 | 194.9 | 46.9 | 241.8 | 1.59 | 1.57 |
| 1963 | 198.2 | 46.1 | 244.3 | 1.83 | 1.72 |
| 1964 | 174.5 | 47.3 | 221.8 | 3.91 | 2.89 |
| 1965 | 216.7 | 45.8 | 262.5 | 2.26 | 2.59 |
| 1966 | 228.4 | 54.7 | 283.1 | 2.13 | 1.49 |
| 1967 | 231.7 | 46.7 | 278.4 | 1.82 | 1.82 |
| 1968 | 221.9 | 52.9 | 274.8 | 2.27 | 1.63 |
| 1969 | 239.5 | 51.9 | 291.4 | 2.31 | 2.26 |
| 1970 | 253.5 | 55.1 | 308.6 | 2.01 | 2.11 ^a |
| 1971 ^a | 253.8 | 48.8 | 302.6 | 1.78 ^a | 1.73 ^a |
| 1972 ^a | 234.1 | 41.4 | 275.5 | - | - |

^a Preliminary.

^b Subject to possible intercensal revision 1967-70. Beginning 1971, basis is changed from all potatoes to potatoes grown mainly for sale.



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